

LINCOLN MITCHELL AND ALEXANDER COOLEY

AFTER THE AUGUST WAR:  
A NEW STRATEGY FOR  
U.S. ENGAGEMENT WITH GEORGIA

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Harriman Institute  
Timothy Frye, Director  
Columbia University  
420 West 118th Street  
New York, New York 10027

<http://www.harriman.columbia.edu/>

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*Lincoln Mitchell and Alexander Cooley*  
*New York, May 2010*

# EXECUTIVE SUMMARY

There is a temptation to look at the U.S.-Georgia relationship as an enduring alliance between two countries that share similar values and goals. It is also tempting to view Georgia as a democratizing country which, while still not fully consolidated, continues to generally move in the right direction. If these narratives, which U.S. policy makers seem to support at least publicly, serve as the foundation for U.S. policy toward Georgia, then the United States should simply continue to unequivocally support Georgia financially and politically. Similarly, the United States should publicly praise the Georgian government, reserving any criticism for private settings, and wait patiently for Georgia's democracy and economy to flourish so that Abkhazia and South Ossetia feel compelled to rejoin Georgia.

Although appealing to some, this report will show that this approach is not only grounded in questionable assumptions, but it also risks entangling the United States into a long-term patron-client relationship with Tbilisi that could, in turn, drag the United States into a number of possible crises in Georgia and the South Caucasus. The United States must actively avoid developing this patron-client relationship.

There is political space for the United States to craft a better relationship with Georgia, one that is built on true partnership rather than dependency, which will further the sovereign interests of both states. Such a new partnership would better reflect the internal dynamics in Georgia as well as acknowledge and confront the new complex dynamics that have emerged between Georgia, Russia, and the disputed territories.

Taken together, the following big-picture goals can form a vision for the United States to guide its role in Georgia's development:

- Reducing tensions between Georgia and Russia and preventing another conflict from erupting in the South Caucasus;
- Arresting and reversing the assimilation of South Ossetia and Abkhazia into Russia;
- Reducing Georgia's dependence on foreign assistance;
- Moving Georgia towards greater democracy and true political pluralism;
- Ending the low level instability that has plagued Georgia for more than two years; and

- Accelerating Georgia's integration and partnership with Euro-Atlantic organizations.

These should be the central components of the U.S. vision for Georgia. Public statements made by Georgian leaders on many occasions suggest that these goals, in fact, are also held by the Georgian government. The government has repeatedly articulated its concern over Russian expansion and the annexation of Abkhazia and South Ossetia; it has also expressed interest in becoming more democratic, joining NATO, and reducing overall tensions with its northern neighbor. In addition, the United States should be clear on what its own strategic goals are in Georgia and in the South Caucasus, more broadly. These goals are distinct from the vision that the United States and Georgia share for their bilateral relationship, but they may be furthered by it. Key U.S. priorities in Georgia and the South Caucasus include:

- Avoiding further military conflict in general, but more specifically between Georgia and Russia;
- Limiting the expansion of exclusively Russian influence in the region and encouraging the integration of the region into the international economy and institutions of global governance;
- Ensuring ongoing movement of energy resources from Central Asia and the Caspian Sea region to Europe;
- Re-establishing U.S. credibility in the South Caucasus as a key regional actor and potential external partner;
- Continuing access for the U.S. military and military transport in support of the war in Afghanistan; and
- Ensuring internal stability in all countries in the region.

## Four Foundations of the U.S.-Georgia Relationship

The U.S.-Georgia relationship is, and will likely continue to be, built upon four major areas of engagement and concern: the U.S.-Georgia Charter on

Strategic Partnership, the conflict with Russia and the territories of Abkhazia and South Ossetia, democratic development and democracy assistance, and postwar aid and reconstruction assistance.

#### *U.S.-Georgia Charter on Strategic Partnership*

The U.S.-Georgia Charter on Strategic Partnership was signed in January 2009 and now serves as an anchoring document for much of U.S.-Georgian engagement. The agreement received very little attention and scrutiny in the United States, as it was concluded in the waning days of the Bush administration, but in Georgia it was viewed as a significant development and a major achievement of Saakashvili's government. Moreover, the agreement has been received asymmetrically; whereas in Georgia the partnership has been presented as evidence of U.S. support of the government and even as the advancement of a security commitment, the United States has understood the document as a method of routinizing and institutionalizing ties across a number of important issues. Although the Charter provides a solid basis for structuring U.S.-Georgian relations, commitments of this type might also raise problems for the United States if the agreement is not adequately monitored and if the two sides do not share a common understanding of the exact scope and aims of the partnership.

#### Recommendations for the United States

- Institutionalize regular working group meetings established by the Charter.
- Ensure that U.S. defense cooperation with Georgia is developed under the auspices of the Charter and its goals.
- Clarify publicly that the Charter does not provide a U.S. security guarantee to Georgia.
- Avoid publicly over-inflating Georgia's importance as a security partner and energy transit state.
- Clarify the Charter's goals, provisions, and processes for the international community.

#### *Abkhazia and South Ossetia*

At first glance, the August war strengthened Russia's influence in these two regions. Paradoxically for both Sukhumi and Tskhinvali, their recognition as "independent states" by Moscow has only served to accelerate their annexation by the Russian Federation. While it is extremely unlikely that these territories will become part of Georgia in the near future, certain steps can be taken to slow their assimilation into Russia. The current U.S. policy of non-recognition of independence is the right position and a good foundation for a policy, but such a policy needs to be further elaborated and developed. A policy of engaging Abkhazia without recognizing its

independence can begin to slow the strengthening of ties between Abkhazia and Russia. However, South Ossetia is a more difficult case because it lacks even the most basic attributes of political autonomy, let alone potential sovereignty. Differentiating U.S. policy toward Abkhazia and South Ossetia is an important step in formulating a more effective and independent U.S. strategy regarding the breakaway territories. In general, the United States must approach these issues within the framework of conflict resolution rather than the restoration of Georgia's territorial integrity. In the long run, ironically, the best way to achieve the latter may be to focus on the former.

#### Recommendations for the United States:

- Commit to developing a strategy towards Abkhazia and South Ossetia that is based on U.S. interests and capacity, and is not driven exclusively by Tbilisi.
- Distinguish between engaging with Abkhazia and South Ossetia.
- Realize that the Russian Federation is rapidly annexing Abkhazia and the time for action is now.
- Adopt a policy of "engagement without recognition" towards Abkhazia.

#### *Democracy*

Georgia's post-Rose Revolution democratic development has been uneven; while few gains were made after the initial breakthrough in late 2003, troubling signs of backsliding in this area becoming more serious beginning in late 2007. The failure of democracy to develop adequately in Georgia has become a larger problem for the United States because Georgia, particularly between 2004 and 2008, was cited so frequently by U.S. policymakers as a success story for democracy and U.S. democracy assistance. This obviously flawed assertion contributed to a view throughout the region that the United States was not serious about democracy and that it saw the promotion of "democratic values" as a means of pursuing its own regional strategic goals by securing the loyalty of a political client. In fact, the United States' refusal to comment on Georgia's democratic backsliding has seriously eroded U.S. credibility with regard to its commitment to democracy, both in the South Caucasus and more broadly. For Georgia, democracy is tied directly to national security; membership in NATO, for example, will remain a dream so long as Georgia falls short of most democratic measures. Similarly, Georgia's democratic shortcomings, such as the dominance of a single political party, the lack of free media, and the concentration of power within the office of the president, have come to characterize the last few years in Georgia and have contributed to instability and economic stagnation both

within and beyond its borders. Thus, improving the quality of Georgia's democratic governance is as much a strategic goal as it is a normative one.

Recommendations for the United States:

- Recommit to supporting Georgia's independent media and civil society.
- Publicly state expectations for national elections early, and broadly engage with the election process.
- Maintain realistic expectations, but retain credibility for their fulfillment.
- Maintain engagement with a variety of political figures, not just the government.
- Leverage U.S. assistance for greater progress on democratization issues.

*Postwar Assistance*

Immediately following the war in August 2008, the United States put together an assistance package of roughly one billion dollars to help Georgia rebuild and recover from the effects of the conflict. Nearly a quarter of this package was used for direct budget support, a nearly unprecedented move in the history of U.S. foreign assistance practice. Other supporters of Georgia, primarily in Europe, pledged several billion dollars more in assistance. These funds will help Georgia rebuild, but the financial relationship is now a cornerstone of U.S.-Georgian relations. The provision of assistance links the United States even more closely with Georgia and has helped insulate the Georgian government from the dual internal shocks of a failed military conflict and a deep financial crisis. This assistance package also ensures that U.S. influence in Georgia, if properly leveraged, will remain strong. Therefore, understanding how the money can be used more effectively to encourage democracy and stability is critically important for a sound U.S. policy on Georgia.

Recommendations for the United States:

- Establish substantial, dedicated funding streams for Georgian NGOs beyond 2011-2012.
- Fund journalists who report on politics or other important issues, and provide that content to television stations or websites. Provide low-interest loans to media entrepreneurs for the establishment of information outlets such as television stations.
- Monitor Georgian media and the media environment.
- Find ways to ensure that assistance money is not used, even indirectly, to undermine the goals of strengthening Georgian democracy

and pluralism.

- Expand monitoring to examine how Georgia is making progress toward its own political goals.
- Develop a strategy for reducing the level of U.S. assistance to Georgia.



Figure 2.



Source: Modified from the United Nations map found here: <http://www.un.org/Depts/Cartographic/map/profile/georgia.pdf>

# INTRODUCTION

In August 2008 war broke out between Russia and Georgia. The ostensible reason for the war was, according to the Russian side, the need to defend South Ossetia from Georgian aggression, and according to the Georgian side, Russia's unwillingness to have a democratic and Westward-leaning Georgia on its border. The origins of that war have been extensively researched and debated, but they are not the focus of this report.<sup>1</sup>

The lengthy debates over the war's origins should not overshadow the conflict's manifold impact, which has extended far beyond the borders of Georgia. The war has raised concerns about possible future Russian aggression elsewhere in the region – notably, in Ukraine – and about the stability of the Georgian state. It has created tensions within NATO and has forced the United States to revisit its role in the region. The war has also served as an unequivocal reminder that Russia will no longer allow itself to be treated as a weak and vanquished country, challenged the established international regime for the recognition of sovereign states, and raised questions about Georgia's future as a Western-oriented democratic state.

The United States, while not responsible for the war itself, played a substantial and not always productive role in Georgia and the South Caucasus during the years immediately preceding the conflict. In addition to helping Georgia reform and build state capacity, the United States provided substantial financial and political support for Georgian President Mikheil Saakashvili's government, and it took unproductive public positions on Abkhazia and South Ossetia that mirrored those of the Georgian leadership. The United States also provided weapons and military training to Georgia and failed to publicly condemn either Georgia's increasingly martial rhetoric regarding Abkhazia and South Ossetia or its retreat from the initial democratic gains of the Rose Revolution. Most important from the U.S. perspective,

the policy of unwavering support for Tbilisi failed to provide U.S. policymakers with sufficient leverage to deter Georgian authorities from initiating the disastrous August 2008 attack on South Ossetia.<sup>2</sup>

After the war, the United States immediately put together an enormous assistance package to help rebuild areas damaged in the war, assist with the humanitarian fallout, and support the Georgian economy. Washington also has continued to express its support for Georgia's sovereignty and territorial integrity, a position that necessarily implies the return of Abkhazia and South Ossetia to the Georgian state. Additionally, in January 2009 the United States and Georgia signed a strategic partnership agreement. Clearly, the U.S.-Georgian relationship remains close, multifaceted, and important.

In the coming years, determining and properly structuring the relationship with Georgia will be critical to U.S. interests in the region, as well as to U.S. relations with Russia and Europe. Moreover, the nature of the relationship between Washington and Tbilisi will play a major role in Georgia's future development, which, in turn, will have a significant impact both within Georgia and beyond its borders.

This report focuses on neither the origins of the 2008 conflict nor the role of the United States in the run-up to war; instead, it examines possible ways to get the U.S.-Georgia relationship back on track so that shared goals can be achieved. In a healthy U.S.-Georgian relationship, the United States not only would help Georgia develop peacefully and democratically, but would clearly articulate and pursue its own interests in the region.

Before turning to the pillars on which the U.S.-Georgia relationship should be built and understood, it is useful to examine the history of the relationship between the two countries.

## *The United States and Georgia: Partners and Friends?*

The United States and Georgia have generally had a close relationship since Georgia regained its independence in 1991. The two countries established formal diplomatic ties in March 1992, shortly after former Soviet foreign minister Eduard Shevardnadze returned to Georgia to lead a new government seeking to stabilize the country. The relationship became closer during the mid-1990s as then president Shevardnadze initially

1. The most comprehensive exploration of the origins of the war is the Tagliavini report which, while extremely critical of Russia's conduct before, during, and after the war, finds that Georgia was most directly responsible for starting the war. *Report of the Independent International Fact-Finding Mission on the Conflict in Georgia*, September 30, 2008, <http://www.ceiiig.ch/Report.html>. See also *The Guns of August 2008*, a collection of essays edited by Cornell and Starr that argues that Russia had planned the war well in advance and was primarily responsible for the war. Svante Cornell and S. Frederick Starr, *The Guns of August 2008: Russia's War in Georgia* (New York: M.E. Sharpe, 2009). See also Ronald Asmus, *A Little War That Shook the World: Georgia, Russia, and the Future of the West* (New York: Palgrave Macmillan, 2010).

2. Alexander Cooley and Lincoln Mitchell, "No Way to Treat Our Friends: Recasting Recent U.S.-Georgian Relations," *Washington Quarterly* 32, no. 1 (2009): 27-41.

appeared to be a reformer, and Georgia began to receive substantial American assistance. The development of the BTC (Baku-Tbilisi-Ceyhan) pipeline, the first significant hydrocarbon export pipeline from the Caucasus to bypass Russian territory, also brought the two countries closer together.

As the 1990s progressed, it became clear that the Shevardnadze regime was not going to be a decisive agent of reform or democracy. This development, however, did not have a major impact on relations between the two countries; the United States continued to support Georgia throughout Shevardnadze's presidency, which ended in November 2003 when he was toppled in the Rose Revolution. In addition to providing financial assistance, the United States has maintained strong military ties with Georgia through a train-and-equip program and the presence of a Marine detachment that was stationed in the country following the terrorist attacks of September 11, 2001.<sup>3</sup>

During the latter years of Shevardnadze's presidency in particular, democracy assistance emerged as an important component of U.S. assistance to Georgia, on top of the United States's economic and humanitarian support.<sup>4</sup> Throughout this period, the United States supported efforts to strengthen Georgian media, civil society, and political parties, as well as projects to reform and streamline its parliament and government.

The Rose Revolution of 2003-2004, which brought Saakashvili to power, was a turning point in the U.S.-Georgian relationship. After the Rose Revolution, the United States and Georgia grew even closer, and the relationship took on a very personal tone as presidents Saakashvili and Bush developed a close and mutually beneficial bond.

Accordingly, from 2004 until the outbreak of war in August 2008, U.S. assistance to Georgia not only increased, but moved in a slightly different direction. Democracy assistance funding, for example, shifted from being oriented mainly toward civil society development to being focused on supporting the Georgian government. In most other areas unrelated to civil society development, funding went directly to the government. Throughout this period, the Georgian government leveraged its strong personal ties inside the U.S. government to ensure that assistance was provided in this way. The funding changes were underpinned by a U.S. public stance toward Georgia that was unfailingly supportive of the Georgian position on the frozen

conflicts and correspondingly unsympathetic to, and perhaps even unaware of, the views and concerns held in Sukhumi and Tskhinvali. Throughout these years, the United States continued to view and discuss Georgia as an exemplary case of democratic reform, even as the reality in Georgia grew to look starkly different. Thus, to a substantial extent, U.S. policy toward Georgia was driven by an ideologically skewed perception of the country's importance that was based significantly on overestimating Georgia's democratic credentials and its strategic value to the United States.

## Recalibrating the Relationship and Developing a Vision

Since the war in 2008, the United States and Georgia have remained close. U.S. political and financial assistance has continued, and it still directly supports the state budget, while the Obama administration has issued persistent but moderate exhortations to the Georgian government to follow through on promises of political reform. In January 2009 the two countries signed a new Charter on Strategic Partnership, which asserts that "we intend to deepen our partnership to the benefit of both nations and expand our cooperation across a broad spectrum of mutual priorities." The basis of the bilateral relationship, according to the Charter's preamble, is that:

cooperation between our two democracies is based on shared values and common interests... expanding democracy and economic freedom, protecting security and territorial integrity, strengthening the rule of law and respect for human rights, including the right of dignified, secure and voluntary return of all internally displaced persons and refugees, supporting innovation and technological advances, and bolstering Eurasian energy security.<sup>5</sup>

The basic relationship between the two countries has not changed since the war. Georgia remains a friend of the United States and continues to receive substantial assistance from Washington. The United States remains committed, at least rhetorically, to upholding both the sovereignty and territorial integrity of Georgia and helping Georgia further integrate into Western and Euro-Atlantic organizations such as NATO and the EU.

This framework, however, raises questions about the sustainability of the relationship and needs to be developed into a more complete policy rather than simply

3. Howard Cincotta, "U.S. Military Aid to Georgia Was Never Directed at Russia," *America.gov*, October 6, 2008, <http://www.america.gov/st/peacesec-english/20081006142300dmslahrellek4.056948e-02.html>.

4. Lincoln Mitchell, *Uncertain Democracy: U.S. Foreign Policy and Georgia's Rose Revolution* (Philadelphia: University of Pennsylvania Press, 2009).

5. *United States-Georgia Charter on Strategic Partnership*, January 2009, <http://www.america.gov/st/texttrans-english/2009/January/20090109145313eafas0.2139093.html>.

a combination of a lot of money and a few platitudes. The United States needs to build a policy based on a sober understanding of what it wants – for both Georgia and itself – and what its real interests in the region are. This approach should begin with a clear understanding of the Georgian context, the U.S.-Georgian bilateral relationship, and the United States' capacity to influence Georgia in a positive and productive manner.

The United States' postwar policy towards Georgia is not altogether wrongheaded, but it lacks strategic vision, is not sufficiently grounded in mutual interests, and fails to fully appreciate the rapid changes that the war's aftermath has brought to the region. Key components of U.S. policy, such as the refusal to recognize the independence of South Ossetia and Abkhazia, the need for greater democracy in Georgia, and the need to rein in Russian influence in Georgia and the region, are sound. These principles should be the starting points for U.S. policy towards Georgia; instead, they currently constitute the entire policy.

A useful way to approach crafting a policy is to identify the major desirable and realistic outcomes that the United States wants to see in Georgia in both the short and intermediate terms. Taken together, the following big-picture goals can form a vision for the United States that could guide its relations with Georgia:

- Arresting and reversing the assimilation of South Ossetia and Abkhazia into Russia;
- Reducing tensions between Georgia and Russia and preventing another conflict from erupting in the South Caucasus;
- Reducing Georgia's dependence on foreign assistance;
- Moving Georgia towards greater democracy and political pluralism;
- Ending the low-level instability that has plagued Georgia for more than two years; and
- Accelerating Georgia's integration and partnership with Euro-Atlantic organizations.

These should be the central components of the U.S. vision for Georgia. However, these goals are only relevant if they are also shared by the Georgian leadership and people. Public statements made by Georgian leaders on many occasions suggest that these goals are, in fact, held by the Georgian government as well. The government has repeatedly articulated its concern over Russian expansion and the annexation of Abkhazia and South Ossetia; it has also expressed interest in becoming

more democratic, joining NATO, and reducing overall tensions with its northern neighbor.

The United States also must develop a vision for the evolution of the U.S.-Georgian relationship. The major goals driving that vision should include:

- Grounding an alliance on the shared interests and values of two sovereign states;
- Continuing Georgian support for U.S. and international military efforts in Afghanistan; and
- Helping Georgia develop several stable alliances, rather than relying on the United States as its primary patron.

Last, the United States should be clear on what its goals are in Georgia and in the region. These goals are distinct from both the vision that the United States and Georgia share for Georgia and the vision that the United States has for its relationship with Georgia. Key U.S. priorities in Georgia and the South Caucasus include:

- Avoiding further military conflict in general, but more specifically between Georgia and Russia;
- Limiting the expansion of Russian influence in the region and encouraging the integration of the region into the international economy and institutions of global governance;
- Ensuring ongoing movement of energy resources from Central Asia and the Caspian Sea region to Europe;
- Re-establishing U.S. credibility in the South Caucasus as a key regional actor and potential external partner;
- Continuing access for the U.S. military and military transport in support of the war in Afghanistan; and
- Ensuring internal stability in all countries in the region.

This is a complex and ambitious vision, but it also can guide U.S. policy toward Georgia in a more holistic and thoughtful way. It will not be easy to turn this vision into reality, so a strategy for achieving this vision needs to be developed; this is the goal of our project.



## Four Foundations of the U.S.-Georgia Relationship

The U.S.-Georgia relationship is, and will likely continue to be, built upon four major areas of engagement and concern: the U.S.-Georgia Charter on Strategic Partnership, the conflict with Russia and the territories of Abkhazia and South Ossetia, democratic development and democracy assistance, and postwar aid and reconstruction assistance.

### *U.S.-Georgia Charter on Strategic Partnership*

The U.S.-Georgia Charter on Strategic Partnership was signed in January 2009 and now serves as an anchoring document for much of U.S.-Georgian engagement. The agreement received very little attention and scrutiny in the United States, as it was concluded in the waning days of the Bush administration, but in Georgia it was viewed as a significant development and a major achievement of Saakashvili's government. Moreover, the agreement has been received asymmetrically; whereas in Georgia the partnership has been presented as evidence of U.S. support of the government and even as the advancement of a security commitment, the United States has understood the document as a method of routinizing and institutionalizing ties across a number of important issues. Although the Charter provides a solid basis for structuring U.S.-Georgian relations, commitments of this type might also raise problems for the United States if the agreement is not adequately monitored and if the two sides do not share a common understanding of the exact scope and aims of the partnership.

### *Abkhazia and South Ossetia*

At first glance, the August war strengthened Russia's influence in these two regions. Paradoxically for both Sukhumi and Tskhinvali, their recognition as "independent states" by Moscow has only served to accelerate their annexation by the Russian Federation. While it is extremely unlikely that these territories will become part of Georgia in the near future, certain steps can be taken to slow their assimilation into Russia. The current U.S. policy of non-recognition of independence is the right position and a good foundation for a policy, but such a policy needs to be further elaborated and developed. A policy of engaging Abkhazia without recognizing its independence can begin to slow the strengthening of ties between Abkhazia and Russia. However, South Ossetia is a more difficult case because it lacks even the most basic attributes of political autonomy, let alone potential sovereignty. Differentiating U.S. policy toward Abkhazia and South Ossetia is an important step in formulating a more effective and independent U.S. strategy regarding the breakaway territories. In general, the United States must approach these issues within the framework of

conflict resolution rather than the restoration of Georgia's territorial integrity. In the long run, ironically, the best way to achieve the latter may be to focus on the former.

### *Democracy*

Georgia's post-Rose Revolution democratic development has been uneven; while few gains were made after the initial breakthrough in late 2003, troubling signs of backsliding in this area becoming more serious beginning in late 2007. The failure of democracy to develop adequately in Georgia has become a larger problem for the United States because Georgia, particularly between 2004 and 2008, was cited so frequently by U.S. policymakers as a success story for democracy and U.S. democracy assistance. This obviously flawed assertion contributed to a view throughout the region that the United States was not serious about democracy and that it saw the promotion of "democratic values" as a means of pursuing its own regional strategic goals by securing the loyalty of a political client. In fact, the United States' refusal to comment on Georgia's democratic backsliding has seriously eroded U.S. credibility with regard to its commitment to democracy, both in the South Caucasus and more broadly. For Georgia, democracy is tied directly to national security; membership in NATO, for example, will remain a dream so long as Georgia falls short of most democratic measures. Similarly, Georgia's democratic shortcomings, such as the dominance of a single political party, the lack of free media, and the concentration of power within the office of the president, have come to characterize the last few years in Georgia and have contributed to instability and economic stagnation both within and beyond its borders. Thus, improving the quality of Georgia's democratic governance is as much a strategic goal as it is a normative one.

### *Postwar Assistance*

Immediately following the war in August 2008, the United States put together an assistance package of roughly one billion dollars to help Georgia rebuild and recover from the effects of the conflict. Nearly a quarter of this package was used for direct budget support, a nearly unprecedented move in the history of U.S. foreign assistance practice. Other supporters of Georgia, primarily in Europe, pledged several billion dollars more in assistance. These funds will help Georgia rebuild, but the financial relationship is now a cornerstone of U.S.-Georgian relations. The provision of assistance links the United States even more closely with Georgia and has helped insulate the Georgian government from the dual internal shocks of a failed military conflict and a deep financial crisis. This assistance package also ensures that U.S. influence in Georgia, if properly leveraged, will remain strong. Therefore, understanding how the money has been spent and how it can be used more effectively is critically important for a sound U.S. policy on Georgia.

# I.

## THE U.S.-GEORGIA CHARTER ON STRATEGIC PARTNERSHIP

The U.S.-Georgia Charter on Strategic Partnership was signed in Washington on January 9, 2009, by outgoing Secretary of State Condoleezza Rice and Georgian Minister of Foreign Affairs Grigol Vashadze. The Georgian government and media hailed the agreement as a major foreign policy triumph, with President Mikheil Saakashvili claiming during his New Year's address that "a new stage is beginning for Georgia's international relations by the signing of the agreement." On the U.S. side, although there was little public discussion or media attention on the agreement, the incoming administration of President-elect Barack Obama not only accepted the agreement, but moved decisively to implement its various directives, goals, and institutional ties. Thus, even in the context of pursuing the "reset" of U.S.-Russian relations, the Obama administration has emphasized its commitment to Tbilisi and has channeled much of this engagement through the Charter.

For the United States, the U.S.-Georgia Charter is a rather idiosyncratic document. Comparatively speaking, the United States has signed a number of similarly titled bilateral strategic agreements – 17 by one analyst's estimate – with other countries, including Afghanistan, Australia, Brazil, India, Indonesia, Israel, and Pakistan.<sup>1</sup> Just three weeks before the signing of the U.S.-Georgia Charter, Washington signed a charter on strategic partnership with Ukraine. The 1998 U.S.-Baltic charter was the first such agreement concluded with Soviet successor states. However, the U.S.-Georgia Charter is distinct in terms of form, substance, and its vision for a broad degree of U.S. engagement in Georgia's internal affairs, particularly on matters of democratization; therefore, the charter merits closer scrutiny.

The U.S.-Georgia Charter comprises five articles.<sup>2</sup> The Preamble and Article I articulate the broad principles of friendship and cooperation for the U.S.-Georgian relationship, including the United States' commitment to upholding the principles of democracy, independence, and territorial integrity and deepening Georgia's integration into the Euro-Atlantic community. The remaining articles

are dedicated to the topics of "Defense and Security Cooperation" (Article II); "Economic, Trade, and Energy Cooperation" (Article III); "Strengthening Democracy [in Georgia]" (Article IV); and "Increasing People-to-People and Cultural Exchanges" (Article V).

The Charter's article on Georgia's democratization is especially noteworthy. Article IV includes itemized commitments to support Georgia's independent media, strengthen the rule of law and the independence of the judiciary, promote good governance and transparency, increase political pluralism both within and outside of the party system, and strengthen the capacity of Georgia's civil society. An observer would be hard-pressed to find such an exhaustive list of goals regarding the domestic democratization of a U.S. partner in any other of the United States' bilateral strategic agreements. For example, the charter with Ukraine includes an article on democracy, but it makes no mention of promoting Ukrainian civil society or expanding pluralism within Ukraine's party system. The 1998 U.S. charter with the Baltic states contained no separate article dedicated to democracy, but it did contain an entire article dedicated to promoting the Baltic states' integration into formal Euro-Atlantic institutions, including the OSCE, EU, and NATO – something that is conspicuously absent in the U.S.-Georgia Charter.<sup>3</sup> As Cory Welt observes in his assessment of the Charter, "Georgian democracy is an essential foundation for the success of the partnership."<sup>4</sup> This perception is shared by many members of Georgia's political opposition, several of whom have called for the inclusion of concrete benchmarks in the Charter so that the United States can assess Georgia's progress on its democratic commitments.<sup>5</sup>

### The Form of the Charter: Institutionalization and Asymmetry

Both the United States and Georgia should view the Charter as a positive development. For the United States,

<sup>1</sup> Cory Welt, "How Strategic is the US-Georgia Strategic Partnership?" (unpublished paper part of the series of seminars on Limited Sovereignty and Soft Borders in Southeastern Europe and the Former Soviet States: The Challenges and Political Consequences of Future Changes in Legal Status, Harriman Institute, New York, 2010), 3.

<sup>2</sup> See *United States-Georgia Charter on Strategic Partnership*, January 2009.

<sup>3</sup> *A Charter of Partnership among the United States of America and Latvia, Estonia, and Lithuania*, January 1998, <http://www.latvia-usa.org/usbalchar.html>.

<sup>4</sup> Welt, "How Strategic is the US-Georgia Strategic Partnership?" 11.

<sup>5</sup> "Georgian Opposition Appeals to U.S. to promote, Guarantee Political Reform," *Rferl.org*, July 22, 2009, [http://www.rferl.org/content/Georgian\\_Opposition\\_Appeals\\_To\\_US\\_To\\_Promote\\_Guarantee\\_Political\\_Reform/1783010.html](http://www.rferl.org/content/Georgian_Opposition_Appeals_To_US_To_Promote_Guarantee_Political_Reform/1783010.html).

the document establishes an institutional framework for engaging Georgia across a number of important issues. Furthermore, institutionalization offers a welcome break from relying excessively on individual relationships, a practice that often allowed the U.S.-Georgian relationship to be driven by personalities and ideology rather than clear articulations of mutual interests.<sup>6</sup> For Georgia, the Charter provides a much-needed public commitment from the United States and a psychological boost as it deals with a devastating military defeat and the apparent end of its aspirations to join NATO.

However, U.S. policymakers should be mindful that, in the year following the signing of the Charter, Tbilisi has trumpeted the significance of the document while misrepresenting many of its provisions and goals, especially in the area of security, for domestic political reasons. In practice, two noteworthy features characterize the Charter: its institutionalization within the respective bureaucracies of the signatory states, and the considerable asymmetry of obligations imposed upon the partners.

First, the Charter places Georgia's engagement with Euro-Atlantic institutions and the United States within a series of concrete institutions and processes. The U.S. reaffirms its commitment to Georgia's candidacy for NATO membership and critically places U.S.-Georgian military cooperation within the framework of the NATO-Georgia Commission, which itself establishes a set of benchmarks and periodic reviews that in many ways resemble a Membership Action Program (MAP). The Charter's security article emphasizes the importance of "[strengthening] Georgia's candidacy for NATO membership" and places "enhanced training and military equipment for Georgian forces" and the "[increased] interoperability and coordination of capabilities" within the framework of the NATO-Georgia Commission.

The charter establishes four working groups to discuss U.S.-Georgian bilateral relations in terms of economic and energy issues, defense and security, democracy, and people-to-people exchanges. On the U.S. side, the working groups are comprised of high-level interagency delegations from differing bureaucracies. For example, Assistant Secretary of State for Democracy, Human Rights, and Labor Michael Posner led the U.S. delegation that was sent to the November 2009 meeting of the working group on democracy. Similarly, Assistant Secretary of State for Economic, Energy, and Business Affairs Jose Fernandez headed the U.S. delegation at the February 2010 meeting of the economic and energy working group, and both Assistant Secretary of Defense for International Security Affairs Alexander Vershbow and Assistant Secretary of State for European

and Eurasian Affairs Philip Gordon co-chaired the June 2009 meeting of the security working group. Interagency cooperation on the U.S. side is particularly striking and ensures that a variety of policymakers can bring their perspectives to bear on the working groups' agendas. By comparison, the U.S. charter with Ukraine yielded only working groups on the topics of non-proliferation and export controls and energy security. Neither of these working groups has featured the same level of high-ranking officials on the U.S. side.<sup>7</sup>

Second, notwithstanding the language of partnership, the structure of the Charter remains fundamentally asymmetrical. For almost all issues, the working groups have focused on fostering specific reforms and institutional changes in Georgia, sometimes on a quite detailed and specific level. For example, a central concern of the November 2009 meeting of the democracy working group was ensuring that the May 2010 local elections in Georgia, specifically the Tbilisi mayoral race, would be conducted under a set of rules that guarantees a level playing field.<sup>8</sup> In January 2010 the economic group announced a plan for the United States to invest up to \$124 million on projects to improve Georgia's infrastructure, including the development of a new hydropower plant and a new domestic gas pipeline, and the upgrade of two electric power transmission lines. The agreement included a Georgian commitment to undergo external arbitration as an adjudication procedure in case of a dispute with investors; this type of procedure is widely seen as interfering in the sovereignty of a host state.<sup>9</sup> Thus, despite the language of partnership, the United States' considerable involvement in Georgia's internal affairs, as institutionalized by the Charter, makes the U.S.-Georgian relationship more akin to a patron-client arrangement rather than an alliance or a traditionally understood symmetrical partnership.

7. Writing about the Charter, David Smith observed that "the charter is a framework that must be filled in by intertwining diverse bureaucracies in both countries. That is not a bad thing – given the breadth of the document, it could not have been otherwise." Quick comparisons with other U.S. charters, however, such as that with Ukraine, suggest that other less rigorous formats of implementation are actually the norm. See David Smith, "The Prospects for the U.S.-Georgia Charter on Strategic Partnership," *Central Asia - Caucasus Institute Analyst*, February 25, 2009, <http://www.cacianalyst.org/?q=node/5049>.

8. Moreover, the mayoral race was regarded by the United States as another test of Georgia's commitment to democratic reform. However, the U.S. failed to get involved in the negotiations around the electoral system for the race thus allowing the government to set a 30% threshold to avoid a runoff all but insuring a victory for the government candidate.

9. See Gus Van Harten, *Investment Treaty Arbitration and Public Law* (New York: Oxford University Press, 2007).

6. See Alexander Cooley and Lincoln Mitchell, "No Way to Treat Our Friends: Recasting Recent U.S.-Georgian Relations."



## The Asymmetric Security Partnership

The asymmetrical nature of the partnership is clearly visible in the uneven commitments (and their interpretation) outlined in the security article of the Charter. The final clause of the security article states that, “building on the existing cooperation among their respective agencies and armed forces, the United States supports the efforts of Georgia to provide for its legitimate security and defense needs, including development of appropriate and NATO-interoperable military forces.”

The phrase “legitimate security and defense needs” has already been subject to differing interpretation between the two sides. Georgia has made a point of supporting the United States in all of its overseas military missions, including the Obama administration’s current troop surge to Afghanistan. For Tbilisi, Georgia’s contribution, which will increase to nearly 1,000 troops, makes it a significant participant because it is sending the most troops per capita of any country. Underscoring Georgia’s reliability as a coalition partner and referring to the security elements of the Charter, the Georgian Minister of Foreign Affairs Grigol Varshadze made the following statement in June 2009:

Georgia has shown its commitment to our American partner during its most difficult times. We have always supported the U.S. in the fight against terrorism. We have already partnered with the U.S. in Iraq, where Georgia was one of the largest contributors to the coalition forces. Additionally, despite the fragile security environment in Georgia, we have made the decision to contribute to the International Security Assistance Force in Afghanistan, and will send a re-enforced company there in the coming months.<sup>10</sup>

Despite Tbilisi’s commitments to support U.S. and NATO overseas campaigns, the relationship falls well short of actually providing Georgia with the concrete guarantees that it believes are necessary to secure its “legitimate defense and security needs.” The institutionalization of the NATO-Georgia commission in a type of parallel MAP framework is noteworthy, but it offers neither the promise of a future MAP nor any sort of common defense commitment akin to Article V of the North Atlantic Treaty. As Matthew Bryza, the outgoing deputy assistant secretary of state for European and Eurasian Affairs, stressed during an interview for Imedi

TV in January 2009, the U.S.-Georgia Charter did not represent “a security guarantee.” Bryza further explained that “security guarantees will come along with NATO membership.”<sup>11</sup>

Nevertheless, some officials in Tbilisi talk about the Charter as if it does contain a U.S. security guarantee. In March 2009 in an interview with Georgian TV, Interior Minister Vano Merabishvili stated that the chief reason why Russia and Georgia would not engage in another military conflict is that the Charter provides Georgia a “serious security guarantee.”<sup>12</sup> Based on public discourse in Georgia, the degree to which Washington has committed, formally or otherwise, to assist with Georgia’s territorial defense has been exaggerated. Welt observes that the tone of statements made by U.S. defense officials on the nature of the United States’ commitments outlined in the Charter seems to have shifted since the document was signed. In February 2009 Carter Ham, commanding general of the U.S. Army Europe, stated that Georgian military planning had shifted in the direction of “territorial defense.” However, General James Cartwright, vice chairman of the U.S. military’s Joint Chiefs of Staff, explained one month later in Tbilisi that U.S. military training would be “focused on the defense of Georgia, on ... internal defense.”<sup>13</sup> The Obama administration has distanced itself from such statements since summer 2009.

Uncertainty over the exact scope of U.S. support for Georgia’s “defense needs” has been fueled by ongoing disagreements between Washington and Tbilisi over U.S. military assistance and its potential rearmament of Georgia.<sup>14</sup> In prepared remarks for the Senate Committee on Foreign Relations in August 2009, Assistant Secretary of Defense for International Security Affairs Alexander Vershbow stated that “this is an opportunity to clarify both what we are doing and what we have not done. *The U.S. has not ‘rearmed’ Georgia as some have claimed. There has been no lethal military assistance to Georgia since the August conflict.* No part of the \$1 billion U.S. assistance package went to the Ministry of Defense [emphasis added].”<sup>15</sup>

11. “Georgia, U.S. Sign Strategic Partnership Charter,” *Civil.ge*, January 9, 2009, <http://www.civil.ge/eng/article.php?id=20248>.

12. Quoted in Liz Fuller, “Does U.S. Charter Protect Georgia Against Renewed Conflict With Russia?” *Rferl.org*, March 11, 2009, [http://www.rferl.org/content/Does\\_US\\_Charter\\_Protect\\_Georgia\\_Against\\_Renewed\\_Conflict\\_With\\_Russia/1508110.html](http://www.rferl.org/content/Does_US_Charter_Protect_Georgia_Against_Renewed_Conflict_With_Russia/1508110.html).

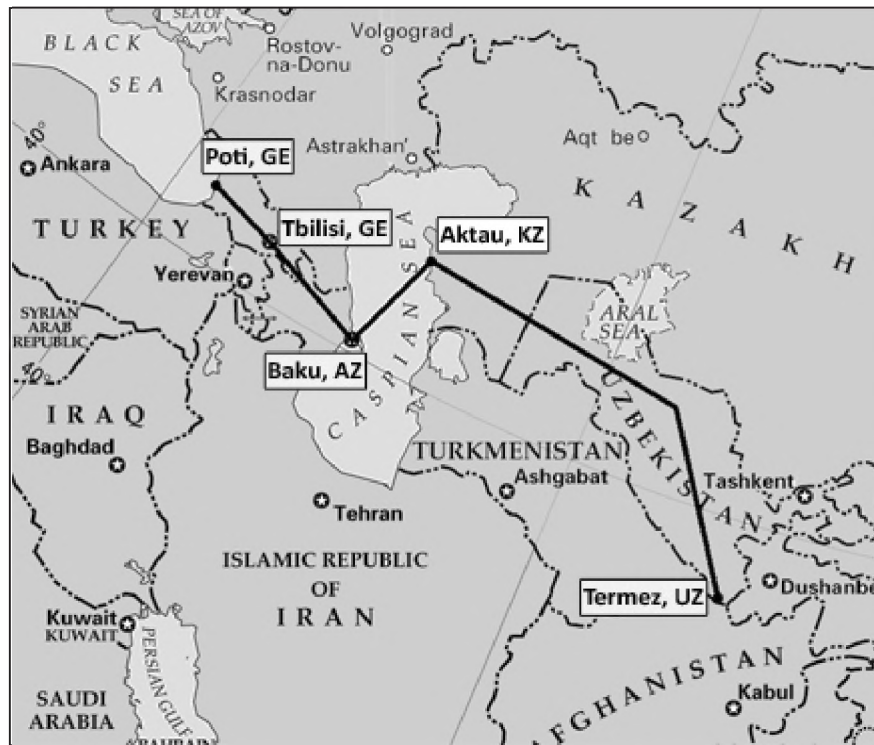
13. Welt, “How Strategic is the US-Georgia Strategic Partnership?” 7-8.

14. See “US may rearm Georgia, despite Moscow’s opposition,” *theage.com.au*, July 24, 2009, <http://news.theage.com.au/breaking-news-world/us-may-rearm-georgia-despite-moscows-opposition-20090724-dv9t.html>.

15. Testimony of Ambassador Alexander Vershbow, Assistant Secretary of Defense for International Security Affairs before the Senate Foreign Relations Committee Subcommittee for Europe, August 4, 2009, <http://foreign.senate.gov/testimony/2009/VershbowTestimon>.

10. Remarks by the Minister of Foreign Affairs of Georgia H.E. Mr. Grigol Vashadze at the Carnegie Endowment for International Peace, June 23, 2009, [http://www.carnegieendowment.org/files/Minister\\_Vashadze%20Prepared%20Remarks.pdf](http://www.carnegieendowment.org/files/Minister_Vashadze%20Prepared%20Remarks.pdf).

Figure 2: Route of NDN South.



#### *Georgia's Involvement in the Northern Distribution Network*

A more recent development related to the United States' campaign in Afghanistan involves Georgia's position in the emerging Northern Distribution Network (NDN). The NDN was developed by U.S. defense planners in response to a series of attacks on U.S. logistics routes in Pakistan in 2008 that threatened to seriously disrupt U.S. supply lines for the Afghanistan campaign. After negotiating with individual governments, including Russia and countries in the Caucasus and Central Asia, the U.S. Department of Defense's Transportation Command and Central Command in spring 2009 unfurled a plan to ship hundreds of containers per week through NDN North (originating in the Baltics and then heading southwards via Russia, Kazakhstan, and Uzbekistan) and NDN South (from Georgia to Uzbekistan via Azerbaijan and Kazakhstan). NDN South originates at the Georgian port of Poti, where shipments are loaded onto railcars that traverse Georgia and Azerbaijan. Once the shipments reach the Caspian Sea, they are ferried to the Kazakh port of Aktau and then shipped by truck across Kazakhstan and Uzbekistan to the distribution point at the logistics

hub of Termez.

Overall, defense and logistics planners hope that up to 30% of all Afghanistan-bound U.S. military cargo can be delivered through the NDN. Of the two branches, the Southern route is more expensive, as it involves multiple changes in the mode of transportation. However, NDN advocates claim that NDN South may offer additional strategic benefits beyond the Afghanistan campaign. For example, a report on NDN from the Center of Strategic and Institutional Studies, the main organization studying and advocating for NDN, states:

the immediate purpose of the NDN and the Caucasus corridor is to provide for supply route diversification for U.S. and NATO forces in Afghanistan. But, for the long-term goal of stabilizing and developing Afghanistan, the blossoming trade and transport route through the Caucasus will play no small part. Despite and because of its major pitfalls, the corridor through Georgia and Azerbaijan is of strategic significance beyond its current role as a supply alternative.<sup>16</sup>

16. Andrew Kuchins and Thomas Sanderson, "The Northern Distribution Network and Afghanistan: Geopolitical Challenges and Opportunities," *Center for Strategic and International Studies*, January

Georgia's involvement in NDN is important, but so too is avoiding a scenario in which Georgia's integration in the NDN supersedes the aims and provisions of the Charter.

In sum, while Georgia is an ally of the United States in its overseas military and stabilization campaigns, neither the United States nor NATO reciprocate by providing for Georgia's territorial defense. Maintaining the delicate balance between integrating Georgia into NATO structures and the international effort in Afghanistan while refraining from committing to Georgia's direct defense remains a logical, but ultimately precarious, position that the Charter has established. Accordingly, it is vitally important that all branches of the U.S. defense policy establishment, including the regional commands and logistical agencies involved in NDN, understand this state of affairs and work actively to maintain this balance.

### **Georgia's Democratic Significance vs. Strategic Significance**

Clearly, the Charter fosters engagement on a broad array of issues and provides a useful blueprint for structuring U.S.-Georgian interactions. We have noted that, while a bilateral strategic partnership agreement is not uncommon from a U.S. perspective, the degree of institutionalization, asymmetry, and emphasis on democracy in the U.S.-Georgia Charter are unique.

The emphasis on democracy is warranted as democratic consolidation is critically important for Georgia's own international future. Consolidating political reforms is not only a prerequisite for Georgia's aspirations for partnership, and perhaps eventual membership, in NATO or the European Union; it also represents Georgia's own best justification for why it should be further integrated into the transatlantic community.

On the other hand, it is important to soberly assess and avoid exaggerating Georgia's strategic importance. The country's contribution to the international effort in Afghanistan, both as a supplier of troops and as the origin of the NDN South supply corridor, is welcome but not indispensable to the U.S. war effort. For example, the United States currently pays the expenses associated with the deployment of Georgian forces in Afghanistan, as it did earlier for Georgian troops serving in Iraq. Furthermore, Georgia's position as a state wishing to break free from Russia's sphere of influence is laudable but no longer unique. In fact, contrary to analysts' dire predictions that the August 2008 war would re-establish

Russian influence and control over the former Soviet space, quite the opposite has happened; since summer 2008, Moscow has faced increasing public confrontations with countries such as Belarus, Moldova, Turkmenistan, and Uzbekistan, as most Eurasian countries are now vigorously pursuing some form of multivectorism in their foreign policies.<sup>17</sup>

Similarly, it is important to not overstate Tbilisi's overall importance to the Eurasian energy distribution architecture. The energy picture in Eurasia, especially in terms of natural gas, is rapidly changing.<sup>18</sup> The broad perception that was dominant in 2007–2008 held that Russia would consolidate its monopolistic position as a regional gas provider, thereby threatening Europe's energy supplies and making Southern Energy Corridor projects, such as Nabucco, vital for Europe's energy security; however, this theory no longer holds. The December 2009 opening of the China-Central Asia pipeline, which is expected to deliver 40 bcm of Turkmen gas per year to China via Uzbekistan and Kazakhstan, dealt a major blow to Moscow's dominance over energy infrastructure, as it is the first Eurasian gas pipeline to serve as a significant alternative to the old Soviet network that is firmly controlled by Russia. Furthermore, the financial crisis has severely depressed European energy demand, thereby curtailing Gazprom's supplies to Europe, and has precipitated the import of new quantities of liquefied natural gas (LNG), especially from Qatar, as part of Europe's emerging energy mix. These factors have already empowered Central Asian and Caspian suppliers, as well as European customers, in their negotiations with Gazprom.

These developments neither mean that Georgia's role in the Southern Energy Corridor is unimportant nor suggest that Nabucco should not be built. However, they demonstrate that energy security in Eurasia is highly dynamic. Thus, continuing to present Georgia as the linchpin of European energy security unnecessarily presents the energy sector in dated zero-sum geopolitical terms that may actually be politically counterproductive.

Most importantly, overstating Georgia's strategic importance – either as a security partner or as an “energy corridor” – risks raising expectations among Georgian authorities, as happened during the lead-up to the August 2008 war, and potentially generating an inflated expectation of U.S. strategic commitments to Georgia. Moreover, it may encourage Georgian authorities to more aggressively pursue the defense and security

2010, [http://csis.org/files/publication/091229\\_Kuchins\\_NDNandAfghan\\_Web.pdf](http://csis.org/files/publication/091229_Kuchins_NDNandAfghan_Web.pdf), 17.

17. On the erosion of Russia's influence over the Central Asian states, see Alexander Cooley, “Behind the Central Asian Curtain: the Limits of Russia's Resurgence,” *Current History* (2009): 325–332.

18. For an overview on energy infrastructure in Eurasia, see “Natural Gas: An unconventional glut,” *The Economist*, March 11, 2010, [http://www.economist.com/business-finance/displaystory.cfm?story\\_id=15661889](http://www.economist.com/business-finance/displaystory.cfm?story_id=15661889).

aspects of the Charter commitments at the expense of its democratic commitments. Such an outcome would not only reverse steps toward Georgia's democratization but could once again distort the mutual expectations about the relationship that are carefully laid out in the Charter.

To reiterate, Georgia's greatest "strategic asset" is not its location or its role as an energy hub but its actual democratic potential, Western orientation, and commitment to Euro-Atlantic values and principles. Accordingly, while it is important to develop the U.S.-Georgian partnership on a number of issues, including defense and energy, Georgia's democratic development must remain central to the relationship and should serve as the long-term foundation for the bilateral relationship. As such, the Charter's emphasis on Georgia's democratization may be unusual, but it is also warranted and its terms must be upheld.

## Recommendations

- *Institutionalize regular working group meetings established by the Charter.*  
The U.S.-Georgia Charter on Strategic Partnership is an important attempt to institutionalize the various dimensions of U.S.-Georgian relations in a transparent and cooperative manner. The success of the Charter will be determined by whether it continues to deepen bilateral cooperation across a number of issues.
- *Ensure that U.S. defense cooperation with Georgia is developed under the auspices of the Charter and its goals.*  
U.S. defense commitments and policies toward Georgia should be developed within the context of the Charter and its commitments. Regional (EUCOM, CENTCOM) and functional (TRANSCOM) commands should ensure that their cooperation and contacts with Georgia are consistent with the Charter's aims and goals. The commands should be careful not to strike separate bargains or understandings with Georgian defense officials that could undercut the now-established U.S. policy stance on issues like U.S. security commitments to Georgia and the country's rearmament.
- *Clarify publicly that the Charter does not provide a U.S. security guarantee to Georgia.*  
While the Charter provides for security cooperation, training, and the improvement of Georgian capabilities to meet NATO inter-operability requirements, U.S. officials should clarify that such cooperation does not include a U.S. guarantee to defend Georgia. This issue has been misrepre-

sented by members of the Georgian government and remains misunderstood by the Georgian press and general public.

- *Avoid publicly over-inflating Georgia's importance as a security partner and energy transit state.*
- Georgia's relative importance lies not in its military contributions or its role as an energy hub, but in its Western orientation, democratic potential, and demonstrated desire to join transatlantic institutions. There are some strategic dimensions to the relationship, but the more that they are emphasized by U.S. officials, the less likely it is that Georgian authorities will view upholding their democratic commitments as a key part of their bilateral agreement with the United States.
- *Clarify the Charter's goals, provisions, and processes for the international community.* Adhering to the Charter's goals embeds U.S.-Georgian relations in a more secure, institutionalized, and transparent framework and gives a clear signal of the scope and substance of the relationship to our European allies and the Russian Federation.



## II.

# Abkhazia and South Ossetia Before and After the War

### Background

Since the Russia-Georgia war in August 2008, the United States and Europe have provided significant financial support to help rebuild Georgia but have failed to develop a forward-looking strategy towards Abkhazia and South Ossetia. Western countries responded appropriately by refusing to recognize Abkhazia and South Ossetia after the war. However, this does not constitute a strategy. On the other hand, the West's pledges of enduring support for Georgia's territorial integrity, even as that Georgian dream lays in tatters after the war, is well-intentioned but has little meaning now that Abkhazia and South Ossetia are no longer in any real sense part of Georgia.

The Abkhaz and South Ossetian conflicts did not emerge full-blown in the summer of 2008; rather, they had been festering since the early 1990s, when both territories engaged in wars of secession.<sup>1</sup> For most of the mid-1990s and 2000s, the Western, particularly U.S., position on these issues dovetailed with Tbilisi's stance.<sup>2</sup> From this perspective, South Ossetia and Abkhazia were integral parts of Georgia, so policies were oriented toward restoring Georgia's territorial integrity under some type of federalist formula rather than resolving the conflict.

Although Georgian sovereign claims on these territories should be taken seriously, and restoring Georgian control over a portion of these regions may be the best eventual outcome, the post-Soviet history of Abkhazia and South Ossetia is complex and requires close consideration. For example, when Georgia voted for independence in 1991, Abkhazia voted to stay in the Soviet Union. Thus, from the very beginning of Georgia's independence, its control of Abkhazia was tenuous. Accord-

ingly, post-Soviet Georgia has never really exercised sovereignty over Abkhazia, except perhaps for a few months in 1991; even before the war in 2008, Abkhazia and South Ossetia were a long way from being pulled back into Georgia's orbit.<sup>3</sup> Thus, while Georgia may see itself as the rightful ruler of Abkhazia, the view in Sukhumi has always been quite different.

By 2008 the notion of Georgia's control over these territories was largely aspirational; nonetheless, the war with Russia has changed some basic political dynamics pertaining to South Ossetia and Abkhazia. Due to the war, these territories almost certainly are lost to Georgia for the short and medium terms – possibly for a period of decades – and Russian influence has increased substantially in both regions. Russia has formally recognized the independence of these regions and has sought international support (particularly from Latin American nations) for the policy. At the same time, Russia has strengthened its military, political, and economic control over Abkhazia and South Ossetia. Thus, since 2008, any change to the status of either Abkhazia or South Ossetia means taking something concrete away from Russia, which makes resolving the legal status of the territories a much more difficult task.

The speed at which Russia has forged new ties with Abkhazia and South Ossetia underscores the urgent need for the Western community to formulate a forward-looking strategy towards the territories, particularly Abkhazia. In this section, we propose a basic outline of a new approach that we call “engagement without recognition.” According to this strategy, Abkhazia would be given the opportunity to engage with the West on a number of political, economic, social, and cultural issues for the purpose of lessening Russia's influence in the region while giving the West more leverage in Sukhumi. While undertaking this strategy, officials must make it clear that Abkhazia's status as an independent state will never be accepted by either the United States or the European Union.

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1. For an analysis of the background causes and a timeline of the lead-up to the conflict, see the Report of the Independent International Fact-Finding Mission on the Conflict in Georgia, 2009. Further analyses of Russia's intentions and the causes of the conflict are given in Charles King, “The five-day war: Managing Moscow after the Georgia crisis,” *Foreign Affairs*, November/December 2008.; and Asmus, *A little war that shook the world: Georgia, Russia and the future of the West*, 2010.

2. On how the U.S.-Georgian relationship evolved before the war, see Alexander Cooley and Lincoln Mitchell, “No Way to Treat Our Friends,” *The Washington Quarterly*. On EU policy towards Georgia, see Richard G. Whitman and Stefan Wolff, “The EU as a conflict manager? The case of Georgia and its implications,” *International Affairs* 86:1 (January 2010): 87-107.

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3. For background and proposals for various sovereign arrangements, see Bruno Coppieters and David Darchiashvili et al., eds. *Federal practice: Exploring alternatives for Georgia and Abkhazia* (Brussels: VUB University Press, 2000).



## The First Step: Differentiating Strategies Towards Abkhazia and South Ossetia

Frequently, Abkhazia and South Ossetia are linked together in the minds of policy makers and observers. Both territories fought wars of secession against Georgia in the early 1990s; both were viewed as frozen conflict areas for many of the past 15 years; and both were recognized simultaneously and unilaterally as independent nations by Russia in August 2008. However, any forward-looking policy towards these territories must recognize that there are major differences between them, and the West should develop a unique policy towards each territory.

Abkhazia's population (roughly 220,000 people) is much larger than that of South Ossetia (40,000–60,000 people). Unlike South Ossetia, Abkhazia displays at least some viability as an independent, or even autonomous, polity. Independent statehood for South Ossetia, with its tiny population, isolated geographic location, and lack of any economic base is *prima facie* absurd. The specific challenges facing South Ossetia, including the heavy, concentrated presence of Russian military forces and the very real security dilemma caused by its proximity to Tbilisi, make crafting a policy toward the region a particularly confounding task.<sup>4</sup> South Ossetians have evinced some interest in exploring arrangements with North Ossetia, which is located just across the border in the Russian Federation, or even a union with Russia along the lines of the Russia-Belarus Union State.<sup>5</sup> For all practical purposes, Russia controls South Ossetia's leadership and all strategically sensitive appointments in its cabinet and security services.<sup>6</sup>

The idea of an independent Abkhazia is plausible, and it reflects the desire of most current residents of the territory. Abkhazia's long Black Sea coastline, which could facilitate contacts with foreign nations other than Russia, and limited natural resource endowments lend it some attributes of statehood. Moreover, the more developed state of its political institutions, including semi-competitive elections, multiple political parties, civil society groups, and some nominally independent media outlets, suggests that Abkhazia has the capacity for self-governance or at least political autonomy.<sup>7</sup> Interestingly

enough, the Abkhaz leadership seems split on whether or not to highlight the differences between South Ossetia and Abkhazia. Officially, Abkhazia recognizes South Ossetia's independence, and the two territories have concluded a mutual defense pact, but some members of the Abkhaz leadership believe that Georgia – and by extension, the West – would rather present the image of South Ossetia, a weak and dependent polity, as the face of Abkhazia's political aspirations in order to deny them.<sup>8</sup>

At the same time, the issue of Georgian internally displaced persons (IDPs) still looms large in Abkhazia. During the war in Abkhazia in the early 1990s, approximately 250,000 ethnic Georgians living in Abkhazia were forced to flee their homes and seek refuge elsewhere in Georgia.<sup>9</sup> These people remain displaced more than 15 years after the conflict, despite receiving promises from Tbilisi in recent years that they would be able to return to their homes imminently. The expulsion of ethnic Georgians from Abkhazia means that the territory's aspiration of independence, however strongly felt, rests substantially on ethnic cleansing. Abkhaz officials still do not have a coherent strategy or policy regarding how to facilitate repatriation or otherwise resolve the problem of IDPs; this is mainly because accepting the return of hundreds of thousands of people would compromise the demographic make-up – and by extension, the political viability – of the nascent Abkhaz state.<sup>10</sup> Any future referendum on the legal status of Abkhazia that does not involve the participation of at least a significant percentage of expelled residents cannot be accepted as valid. For this reason, the West should not waver from its refusal to recognize Abkhaz independence. Interestingly, although almost all of Abkhazia's ethnic Georgians, which constituted a plurality of the population in 1991, were forced to flee, the territory has remained a multi-ethnic area with sizeable Abkhaz, Armenian, and Ukrainian communities and small numbers of Jews, Greeks, and representatives of ethnic groups from the North Caucasus.

In sum, South Ossetia and Abkhazia present different challenges that require the Western community to design specific policies for each territory rather than a unified policy toward both regions. In this report, we focus on tailoring a strategy for Abkhazia.

4. On the particularities of South Ossetia, see "Georgia's South Ossetia Conflict: Make haste slowly," *International Crisis Group*, June 7, 2007, <http://www.crisisgroup.org/home/index.cfm?id=4887&rss=1>.

5. The Union of Belarus and Russia was established in 1996 with the intention of integrating the two countries and eventually creating a federation of the two states.

6. See "'Exotic Schemes' in Russia's Georgia Policy," *Jamestown Foundation*, February 4, 2010, <http://jamestownfoundation.blogspot.com/2010/02/exotic-schemes-in-russias-georgia.html>.

7. For example, Freedom House's 2009 assessment of Abkhazia's political institutions, which it characterizes as "partly free." See [http://freedomhouse.org/inc/content/pubs/fiw/inc\\_country\\_detail.cfm?year=2009&country=7744&pf](http://freedomhouse.org/inc/content/pubs/fiw/inc_country_detail.cfm?year=2009&country=7744&pf)

8. Authors' interviews with Abkhaz officials in Sukhumi (April 15–16, 2010).

9. See "Abkhazia: Ways Forward," *International Crisis Group*, January 18, 2007, <http://www.crisisgroup.org/en/regions/europe/caucasus/georgia/179-abkhazia-ways-forward.aspx>.

10. Reactions from Abkhaz officials on the status of IDPs range from the defensive, noting that Abkhazia did accept the return of 30,000 residents of Gali, to simply admitting that the return of IDPs is an impossibility as it would threaten the demography and Abkhazia's aspirations to statehood. Author's interviews with Abkhaz officials in Sukhumi (April 15–16, 2010).

## Moving from Platitudes to Policy in Abkhazia

Since the conclusion of the war, the West has been firm in its refusal to recognize the independence of Abkhazia. In total, four countries – Russia, Nicaragua, Venezuela, and Nauru – have recognized the independence of Abkhazia and South Ossetia. For the latter three countries, recognitions seem to have resulted from Russian lobbying and bilateral deals promising Russian aid or broader investment in their respective energy sectors. Russia appears determined to secure recognition for Abkhazia and South Ossetia from additional Latin American states, especially Bolivia and Ecuador, while Belarus, under competing pressure from Moscow and Brussels, seems to be deferring its decision for as long as possible.<sup>11</sup> Although refusing to recognize Abkhaz independence and challenging Russia's new "recognition diplomacy" represents a good starting point for Western policy towards Abkhazia, the current approach is far from a strategic vision.

U.S. and EU policy towards Abkhazia, while far from fully developed, also includes a commitment to Georgia's territorial integrity that is usually described as supporting, respecting, or even protecting this principle. International policymakers and observers use the phrase "territorial integrity" in various speeches about Georgia, but they rarely consider that the phrase has a very specific meaning: that all of the territory that was part of Georgia at the end of the Soviet period should be governed by Tbilisi. However, Georgia's territorial integrity currently cannot be supported, protected, or respected because it does not exist. Ultimately, restoring Georgian territorial integrity may be the best way to resolve the conflicts in South Ossetia and Abkhazia, but it is at best a long-term project.

Nonetheless, U.S. officials continue to publicly support Georgia's territorial integrity. In a meeting with Georgian President Mikheil Saakashvili in September 2009, U.S. Secretary of State Hillary Clinton said that the United States supported Georgia "both in terms of [its] territorial integrity and sovereignty."<sup>12</sup> A few weeks prior, while testifying before Congress, U.S. Assistant Secretary of Defense Alexander Vershbow remarked, "United States policy [towards Georgia] rests on the continued support of Georgia's territorial integrity, inde-

pendence, and sovereignty."<sup>13</sup> The preceding month, during a summit in Moscow, U.S. President Barack Obama told reporters that he had "reiterated [his] firm belief that Georgia's sovereignty and territorial integrity must be respected."<sup>14</sup>

EU officials also consistently pledge their support for Georgia's territorial integrity. Following an EU Troika<sup>15</sup> visit to Georgia in July 2009, former Swedish Foreign Minister Carl Bildt, the leader of the delegation, announced: "Our Troika reiterates the EU's position that Europe supports Georgia's sovereignty and territorial integrity."<sup>16</sup> Similarly, following the December 2009 Abkhaz elections, an official EU statement declared that "the European Union continues to support Georgia's territorial integrity and sovereignty, as recognized by international law."<sup>17</sup>

Constantly speaking of territorial integrity, however, risks suggesting that the United States and the European Union are more open to proactive, or even military, efforts to bring Abkhazia and South Ossetia back under Georgia control. This rhetoric clearly contributed to the belief in Tbilisi in 2008 that, in spite of official warnings, the United States would support Georgia in the August war. The same Georgian leaders, facing the same domestic pressure, are still in power and they are hearing the same public rhetoric from the U.S. officials. While unlikely to occur, another war between Russia and Georgia would come at a far greater cost for all parties, including the United States, compared to the previous conflict. Changing what is said about Georgia's territorial integrity is an easy way to further reduce the chance of another war.<sup>18</sup> For example, supporting Georgian "sovereignty" rather than "territorial integrity" would justify and support Georgia's valid international legal and juridical claims while also acknowledging the cold truth that the country's territorial integrity remains fractured.<sup>19</sup>

There are other drawbacks associated with consis-

11. Belarus sent fact-finding delegations to South Ossetia, Abkhazia, and undisputed Georgia to investigate the issue and make recommendations to President Alexander Lukashenko. Some have suggested that Lukashenko accepted an emergency economic aid package from Moscow in 2009 on condition that he recognize the breakaway territories, but such a decision has not been forthcoming.

12. *Remarks With Georgian President Mikheil Saakashvili at Camera Spray Before Their Meeting*, September 21, 2009, <http://www.state.gov/secretary/rm/2009a/09/129442.htm>.

13. *Testimony of Ambassador Alexander Vershbow, Assistant Secretary of Defense for International Security Affairs before the Senate Foreign Relations Committee Subcommittee for Europe*, 2009.

14. "Obama says Georgia's territorial integrity 'must be respected'," *RIA Novosti*, July 6, 2009, <http://en.rian.ru/russia/20090706/155449210.html>.

15. The "Troika" represents the European Union in external relations that fall within the scope of the European Union's common foreign and security policy.

16. "EU Troika reiterates support to Georgia's territorial integrity," *Rustavi 2*, July 18, 2009, [http://www.rustavi2.com/news/news\\_text.php?id\\_news=32798&im=main&ct=25](http://www.rustavi2.com/news/news_text.php?id_news=32798&im=main&ct=25).

17. "EU, U.S. Reject Abkhaz Elections," *Civil.ge*, December 15, 2009, <http://www.civil.ge/eng/article.php?id=21782>.

18. On Georgia's strategic use of historical narratives to gain U.S. support, see Lincoln Mitchell, "Georgia's story: Competing narratives since the war," *Survival* 51:4 (August-September 2009): 87-100.

19. On important distinctions among different elements of sovereignty, see Stephen Krasner, *Sovereignty: Organized Hypocrisy* (Princeton: Princeton University Press, 1999).

tently issuing public commitments to support Georgia's territorial integrity. Although support for territorial integrity is understood in Washington as support for Georgia generally, in Abkhazia this phrase connotes support for further Georgian military action against Abkhazia. If the United States continues to declare its support for Georgia's territorial integrity, it will sow fear in Abkhazia that the United States is seeking to back a military solution to the territorial conflict, which then will drive Abkhazia further into the arms of Russia. This is the precise scenario that needs to be avoided if Georgia is to ever restore its territorial sovereignty. Ironically, if the international community is serious about restoring Georgia's territorial integrity, one of the first things that it should do is to stop talking about it so much.

To the extent that the United States has an Abkhazia policy, it is one of strategic patience, or "stratpat." The policy of stratpat was described by U.S. Assistant Secretary of State Philip Gordon as "the best way forward... whereby Georgia shows itself to be an attractive place, a stronger, democratic [state]... It's part of the same overall approach to make Georgia a stronger, more attractive place and better partner of the West." U.S. Vice President Joseph Biden summarized stratpat similarly during an address to the Georgian parliament in July 2009, when he said:

It is a sad certainty, but it is true [that] there is no military option to reintegration, only ... a peaceful and prosperous Georgia that has the prospect of restoring [its] territorial integrity by showing those in Abkhazia and South Ossetia, a Georgia where they can be free and their communities can flourish; where they can enjoy autonomy within a federal system of government, where life can be so much better for them than it is now. Show them the real benefits of your nation's motto: Strength is in unity.<sup>20</sup>

Stratpat seems to be based on the notion that the future for Abkhazia lies in willingly rejoining Georgia because Georgia will demonstrate that it is a better, more prosperous and democratic home for the Abkhaz. The stratpat model is not very different from the approach the United States and the EU used in the years immediately following Georgia's Rose Revolution. However, it did not work then, when Georgia was becoming more prosperous and democratic, so it is difficult to imagine how it

will work considering Georgia's current democratic and economic difficulties. Moreover, going back to the pre-war strategy on Abkhazia does not recognize some of the important consequences of the war. Abkhazia has signed a defense pact with Russia to guarantee its security, and has turned to Moscow for patronage and support. Russia's substantially increased presence in Abkhazia means that any strategy that does nothing with Abkhazia itself in the short term will only will increase Russia's links with Abkhazia and control over its territory. Though patience towards Abkhazia makes sense, it would be a serious mistake to isolate the breakaway region; the United States must engage with Abkhazia.

Stratpat also is based on an unrealistic vision of Georgia's own regional image. Whereas most in the United States correctly believe that Georgia was the victim of excessive Russian aggression and understand the threat and danger Georgia's northern neighbor poses, Abkhaz views towards Georgia are rarely considered in either Tbilisi or in Washington. In Abkhazia, Georgia is viewed – rightly or wrongly – as the source of aggression and instability in the region. Abkhaz fear a Georgian leadership that, like that of Gamsakhurdia in the early 1990s, they see as hyper-nationalist, impulsive, and ready to use military force. These fears were only confirmed by the August war and Georgia's shelling of Tskhinvali. Thus, it is extremely unlikely that Abkhazia will want to rejoin Georgia in the foreseeable future, even if the conditions there improve.

The stratpat approach also seems to overlook disturbing political trends within Georgia itself. As we show in the next chapter of this report, democracy has been in retreat in Georgia in recent years. According to Freedom House, Georgia was less free in 2007-2009 than in the earlier years of the Saakashvili regime and now has the same level of democracy as it did at the end of Shevardnadze's years in office.<sup>21</sup> The lack of a free media or an independent judiciary as well as the concentration of power in the hands of the presidency have contributed to these downward ratings. Similarly, the country's impressive economic reforms that led to increased investment and a rapidly growing economy from 2005 to 2007 are being eroded. Georgia's economy suffered a great deal because of the war and the global economic downturn, and has not yet begun to recover. The central premise of stratpat is that things are getting better in Georgia and that eventually the Abkhaz will see this. This notion, however, does not stand up under closer scrutiny. Indeed, based on economic trends alone, it seems unclear why the Abkhaz would prefer to join Georgia's economy over Russia's, especially given that in the lead-up to the 2014 Olympic games just north of Abkhazia, Moscow is

20. It is striking that Biden described the certainty that Georgia cannot retake Abkhazia through military force as "sad," suggesting an unwillingness, or inability, to recognize that for the Abkhaz, this is a happy certainty. See *Speech by Vice President Biden to Georgian Parliament*, July 23, 2009, <http://www.america.gov/st/texttrans-english/2009/July/20090723115911xjsnommis0.2602045.html>.

21. "Nations in Transit: Georgia," *Freedom House*, 2009, <http://www.freedomhouse.org/uploads/nit/2009/Georgia-final.pdf>.



investing substantially in the region.

Finally, another key component of stratpat is that the Georgian leadership should do nothing actively about restoring their country's territorial integrity. Patience, however, is not a word that quickly comes to mind when thinking of Saakashvili and his government. In fact, impatience has been a defining characteristic of the Georgian government in recent years, one that has served them very well in their efforts to speed through reforms, fight corruption and even push out Georgia's kleptocratic rulers in 2003; Saakashvili's impatience has also contributed to his biggest mistakes, including his decisions to violently disperse peaceful demonstrations in November 2007, to go to war with South Ossetia in August 2008, and to simulate a Russian invasion on Georgian television in March 2010 that spread fear and panic.<sup>22</sup>

For all of these reasons, pursuing a policy of stratpat and counseling Georgian patience is, at best, unlikely to work, and at worst, a recipe for renewed conflict and instability in the region. Stratpat puts the emphasis on what happens in Georgia, while viewing what happens in Abkhazia as largely peripheral. It allows the United States and the West to continue the policy from before the war of both refusing to engage with Abkhazia and accepting Tbilisi's view of Abkhaz preferences. Failing to engage with Abkhazia, however, will only solidify Abkhazia's security and economic ties to Russia. Thus stratpat will ameliorate nascent Russian-Abkhaz tension at a time when U.S. policy should seek to exploit and increase this tension.

### Be Careful What You Wish For: Abkhazia's Growing Russian Dilemma

Western policy towards Abkhazia should also consider the profound changes that have taken place in the Russian-Abkhaz relationship since the war. The Abkhaz leadership greeted President Medvedev's recognition of the independence of Abkhazia in August 2008 as a defining moment. Though we in the West generally assumed that Russia was committed to supporting Abkhazia in its proxy conflict against the Saakashvili regime prior to the August 2008 war, Sukhumi itself remained uncertain about the degree of Moscow's commitment to defend and support Abkhazia.

Since Moscow's recognition of Abkhazia's independence, Russia's commitment has been affirmed and demonstrated along a broad range of issues. Over the last two years, Moscow and Sukhumi have been negotiating over 30 bilateral agreements.<sup>23</sup> Yet,

Abkhazia's overwhelming dependence on Russia as its principal security and economic partner is also raising concerns about excessive dependence among Abkhaz politicians, media commentators, and civil society.<sup>24</sup> In essence, Abkhazia has swapped the de facto independence it enjoyed as an unrecognized state for heavy dependence on Russia now as a supposedly independent state.

In the security realm, first and foremost, Abkhazia has become completely dependent on Russia and has codified this domination through a number of lopsided security accords. These accords have provided Sukhumi with a renewed sense of security, but have also raised questions about Russia's intentions in the territory. In May 2009, Moscow and Sukhumi signed a border protection agreement through which the Abkhaz side agreed to have 800 Russian troops exclusively guard its border. The substance of the agreement was expected by Sukhumi, however its sudden adoption created some political rumblings. The treaty was signed without warning by the Abkhaz authorities and the Russian Ministry of Defense, and was not submitted to the Abkhaz parliament for ratification or deliberation, leading to vocal criticisms by Abkhaz parliamentarians and journalists.<sup>25</sup>

Russia's military role in Abkhazia was further solidified in September 2009 by the signing of a treaty of military cooperation, which granted Russia access to military facilities and bases in Abkhazia (including the airbase at Gudauta and naval facilities at Ochamchire) for a period of 49 years.<sup>26</sup> Under the treaty, Russian troops will retain the right of unrestricted mobility through Abkhazia and will remain immune from Abkhazia criminal law as well as taxation. Though reports indicate that Moscow is now only maintaining about half of its announced commitment of 7,500 Russian troops, the Russian military presence is estimated to cost \$500 million, and is much more visible throughout Abkhazia than were the previous Commonwealth of Independent States mandated peacekeepers. During an interview in March 2010, one opposition member of the Abkhaz parliament recounted how he was accused of being "anti-Russian" when he pointed out that, in the implementation of the joint defense agreement, Russian troops seemed to have completely taken over functions that were meant to be jointly carried out with Abkhaz counterparts.<sup>27</sup>

*tional Crisis Group*, 2010.

24. Authors' interviews with Abkhazian media representatives confirmed that this internal debate about growing dependence on Russia is now the primary foreign policy concern in Abkhazia.

25. See "Bozbuzhdayushaya Druzhiba," *Kommersant*, June 6, 2009. <http://www.kommersant.ru/doc.aspx?fromsearch=4b6cfe8f-0847-4245-808a-54b658638948&docid=1173036>.

26. "Russia signs agreement to station military bases in Abkhazia," *Mosnews.com*, March 10, 2009, <http://www.mosnews.com/military/2009/03/06/abbases/>.

27. The parliamentarian also expressed the view that Abkhazia's defense agreement with Russia should operate under the same guidelines

22. See Lincoln Mitchell, *Uncertain Democracy: U.S. Foreign Policy and Georgia's Revolution*, 2009, especially 79-111.

23. See Appendix 4 of this volume for a list of these agreements. Also see the discussion in "Abkhazia: Deepening Dependence," *Internat-*

Beyond the security realm, the Abkhaz leadership has also agreed to transfer various strategic economic and transportation assets to Russia and to adopt several Russian standards. The Russian ruble remains Abkhazia's official currency; in October 2009 the territory accepted Russian telephone prefixes (with the code +7) to replace its Georgian ones (+995).<sup>28</sup> Russian-Abkhaz tensions first arose in October 2008 when the Russian company Inter RAO UES announced its intentions to privatize its stake in the jointly-operated (with Georgia) Inguri Valley hydroelectric generator. De facto Abkhaz President Sergei Bagapsh angrily reacted to not being consulted by the company and proclaimed that the Inguri project "has always been and will remain ours, and we will dictate terms in any negotiations."<sup>29</sup> The Russian company backed down from its original plans and subsequently reached a compromise deal with Georgia's Ministry of Energy to operate the plant for the next 10 years.

However, soon after casting himself as a defender of Abkhazia's strategic assets, Bagapsh came under intense criticism for another series of commercial transfers to Russia. In May 2009, Bagapsh announced a plan to transfer the management of Abkhazia's railways and Sukhumi airport to Russia for ten years in exchange for investment and loans.<sup>30</sup> In October 2009, the two sides readied a formal transportation agreement that would also transfer responsibility for Abkhazia's air-traffic control and navigation to Russia.<sup>31</sup> Furthermore, in a high-profile announcement in May 2009, the Abkhazia de facto Ministry of Economy signed an agreement with the Russian state-owned oil company Rosneft that ceded the rights to explore the Abkhaz continental shelf for five years, as well as to sell Rosneft's products in Abkhazia. Most controversially of all, Bagapsh has hinted over the course of the year that Sukhumi is considering giving Russian citizens and organizations the limited right to purchase land in Abkhazia, which if enacted, would lead to an almost instantaneous transfer of Abkhazia's coveted coastline to wealthy Russian buyers. Other Abkhaz officials, in private, express concerns that if such a measure were to be adopted, all Abkhaz real estate

would be owned by Moscow in a matter of weeks.<sup>32</sup>

An increasing number of Abkhaz opposition figures and media commentators are uncomfortable with their leadership's transfer of key strategic assets to Russia. Abkhaz presidential candidate in 2009 and businessman Beslan Butba (Economic Development Party) strongly criticized the Abkhaz authorities, stating that

the decision to transfer the Abkhaz railway to the sole management of a major company, the Russian Railways, may ultimately lead to the takeover of a strategic object ... and a large amount of land – virtually the entire Black Sea coast of Abkhazia – in the interest of a foreign commercial entity... Similar concerns are raised by the President's [Bagapsh's] plans to introduce in Abkhazia the unrestricted sale of real estate to foreign citizens and organizations, and to transfer oil and gas fields for development by the corporations Rosneft and Gazprom. Such a policy will inevitably lead to the transfer of natural resources of the Republic of Abkhazia to foreign ownership, to the loss of economic, and in the future – political independence."<sup>33</sup>

In subsequent interviews, Butba also warned that the transfers were likely to fuel anti-Russian sentiment among the Abkhazian population.

In a similar fashion, another opposition presidential candidate Raul Khadzhimba, a former vice president who resigned in May 2009, accused the Abkhaz leadership of selling Abkhazia's sovereignty for its own economic gain. Speaking at an opposition forum on July 24, 2009, Khadzhimba warned that "the authorities have taken the new realities, not as a basis for strengthening our statehood, but as a signal for realizing their own material interests. Such an approach strips our people, which bought its independence at great cost, of any chance of free development."<sup>34</sup>

The Abkhaz dilemma regarding Russian control of its security and economy grows more acute by the day. Economically, Russia is responsible for 95% of Abkhazia's trade, and directly subsidizes more than 50% of Sukhumi's central budget, so it will inevitably play a

and principles as Russia's defense agreement with Armenia or Tajikistan. Authors' interviews at the Abkhaz parliament (April 15, 2010).

28. See Samantha Shields, "Russian Presence Grows in Abkhazia," *Wall Street Journal*, December 14, 2009, <http://online.wsj.com/article/SB126070743647789499.html>.

29. See "Inguri Hydroelectric Plant: Compromise reached?" *Georgia Times*, January 12, 2009, <http://www.georgiatimes.info/en/articles/5887.html>.

30. "Georgia: Abkhazia Hands Airport, Railway Over to Russian Management," *Eurasianet.org*, March 17, 2009, <http://www.eurasianet.org/departments/news/articles/eav051809b.shtml>.

31. "Russia's Ministry of Transport Prepares a Whole Range of Intergovernmental Russian-Abkhaz Agreements Covering the Entire Cooperation Spectrum," *Government of Abkhazia*, October 7, 2009, <http://www.abkhazinfo.gov.org/en/news/detail.php?ID=23701>.

32. Authors' interviews with Abkhaz officials in Sukhumi (April 15 - 16, 2010).

33. Quoted in, "Abkhazia: Russia's Headache," *Northern Caucasus*, June 2009, <http://en.sknews.ru/main/print:page,1,1795-abkhazia-russias-headache.html>.

34. Quoted in "Abkhaz Opposition Fear Growing Russian Influence," *Institute for War & Peace Reporting*, August 7, 2009, <http://www.iwpr.net/report-news/abkhaz-opposition-fear-growing-russian-influence>.

dominant role in the territory.<sup>35</sup> A senior Abkhaz official said in an interview that Russia will provide a total of \$120 million in budget support to Sukhumi in 2010, and has committed a similar amount for 2011 and 2012.<sup>36</sup>

The vast majority of Abkhaz are grateful to Russia for providing it with security forces to deter Georgian aggression. Abkhazia no longer fears for its security and is no longer concerned about the intentions of the Saakashvili government. But the one-sided terms of the Russian presence serve as a daily reminder that Sukhumi has delegated some very basic state functions to Moscow. This is, however, a trade-off that the Abkhaz leadership seems perfectly willing to accept in return for its security. Perhaps most tellingly, Sukhumi's greatest current fear is neither that Abkhazia will be re-integrated into Georgia nor that Russia will continue to annex it, but rather that a future reconciliation between Russia and Georgia – after Saakashvili and Putin have left their respective positions – might prompt Moscow to withdraw its recognition of Abkhazia's independence and effectively divide the territory between Moscow and Tbilisi.<sup>37</sup>

### **A New Strategy of Engagement without Recognition**

With these considerations in mind, now is the time for the Western community to consider increasing its political engagement with Abkhazia. The West should continue to make clear that it will never recognize the independence of Sukhumi, however it can and should carve out a number of openings through which Abkhazia's political elites, business community, and civil society can build ties to people in Europe, the broader Black Sea region, and North America. The alternative is to continue to offer Abkhazia the current binary choice of partnering with Russia or returning to Georgia, an easy choice for Abkhazia that only further accelerates Sukhumi's absorption by Moscow. Abkhazia should be given the alternative of pursuing international options. The availability of such a path will strengthen the hand of Abkhaz political leaders, media commentators, and civil society leaders interested in crafting a "multivector" foreign policy, and offer Abkhaz decision-makers credible alternatives when negotiating with Russia on the management and governance of critical "sovereign"

issues.<sup>38</sup>

First, it is essential that Abkhaz officials be issued visas to travel within the European Union and the United States, and participate in study tours and organized visits. There are numerous possible ways to facilitate this travel, but it will probably be necessary to arrive at some kind of compromise on this visa issue. Because of its closer proximity to Abkhazia and its active involvement in brokering and now monitoring the Georgia-Russia ceasefire, the European Union is better positioned to take the lead in such efforts. Accordingly, Abkhaz officials, media, and civil society could be offered study tours of Brussels to better understand the institutions and values of the European Union. These should not involve formal negotiations with any specific institution or agency, but could be organized as educational visits and precursors to creating a regular EU-Abkhaz dialogue mechanism. At the same time, such tours could include a visit to NATO headquarters where alliance representatives would explain the organization's regional priorities and reassure the Abkhaz that NATO harbors no belligerent designs on Abkhaz territory.

The European Union should also consider opening an information office in Sukhumi that could liaise with Brussels and provide information about such engagement opportunities and application procedures. As far as the United States is concerned, Abkhaz political figures should be allowed to participate in regional conferences and seminars in the Washington D.C. think tank community, where contacts with U.S. officials could be made informally but constructively. It is particularly important that Abkhaz officials be allowed to participate in fora in the United States that address regional concerns and common challenges.

Travel on Abkhaz passports, which will be issued by Sukhumi to Abkhaz residents starting in June 2010, remains an especially sensitive topic, as it pertains directly to an actual symbol and practical aspect of sovereignty. To this end, the Georgian government has proposed that the Abkhaz accept a travel document known as a "gray passport," which would be issued by the Georgian government, but would not commit the holder to affirm his or her Georgian citizenship. Though Georgian concerns about the Abkhaz issuing travel document are perfectly understandable and Tbilisi's position remains consistent with international law, in this case, on the balance, we believe that the international community should not rule out allowing some Abkhaz to travel on their new self-styled passports, at least for

35. Estimates quoted in October 2009 to the authors by multiple Russian journalists who cover the breakaway territories. Abkhaz officials themselves estimate that the customs venues they collect from the Russian border constitute about 40% of their budget. Thus, Russia remains Abkhazia's almost exclusive economic partner, be it for investment, commerce or as a source of customs duties.

36. Authors' interviews with Abkhaz officials in Sukhumi (April 15 - 16, 2010).

37. Ibid.

38. Both Abkhazian de facto President Sergei Bagapsh and de facto Foreign Minister Sergei Shamba have consistently affirmed their commitment to pursue a "multivector" foreign policy. See, for example, the interview by Ben Judah, "Abkhazia: Optimism and Tension," *ETH Zurich*, August 27, 2009, <http://www.isn.ethz.ch/isn/Current-Affairs/Security-Watch/Detail/?lng=en&id=105219>.



the initial period during which the “engagement without recognition” strategy is in effect. There is some recent precedent for such a policy. The United States and the United Kingdom allow residents of the Turkish Northern Republic of Cyprus (TRNC) to apply for visas and travel on their TRNC passports, even though the TRNC’s sovereignty remains recognized only by Turkey itself.

On the economic dimension, much more should be done to diversify Abkhazia’s economic links. Certainly, Abkhazia’s tourism sector will be a natural target for Russian investment; however, creating economic links with the entire Black Sea community will give Abkhazia greater economic options and opportunities. The Abkhaz diaspora, particularly in Turkey with its regional economic networks, offers perhaps the best alternative to exclusive economic dependence on Russia; Georgia has prevented these links, however, by embargoing Abkhaz ports from Turkish commerce. This policy of isolating Abkhazia reached a high-profile climax in August 2009 when the Georgian coast guard intercepted and detained a Turkish fuel tanker bound for Abkhazia. Georgian courts subsequently tried and convicted the ship’s captain under the Law on Occupied Territories, sentencing him to a 24-year prison sentence and sparking an outcry from the Turkish Foreign Ministry.<sup>39</sup> After some shuttle diplomacy, Georgian officials agreed to release the captain, but the episode underscores the practical difficulties that Abkhazia faces in cultivating its economic relations with Turkey.

Accordingly, establishing procedures by which Turkish vessels can routinely visit Abkhazia should be a regional economic priority, one that Georgian officials privately acknowledge needs to be ironed out to provide alternative commercial routes to Abkhazia.<sup>40</sup> Opening a regular ferry link between Sukhumi and Trabzon, Turkey, is an important step toward enhancing the Abkhaz diaspora’s link with the territory and further increasing commerce. In addition, both Turkey and Georgia should be encouraged to allow “day-trip” tourism to Abkhazia from specific, regulated points of access for third party nationals, as is the case in Northern Cyprus. Perhaps most controversially, the international community should also consider appealing to the International Civil Aviation Organization (IACO) to approve an equal number of weekly flights between Sukhumi airport and Istanbul, as between Sukhumi and Moscow. Ultimately, upgrading Abkhazia’s transportation links with Turkey

and the greater Black Sea region should be a Western priority.

In addition, international financial institutions such as the World Bank and the European Bank for Reconstruction and Development should be encouraged to identify and develop projects that will forge links between Abkhazia and other countries in the Black Sea region, including Georgia. As the Abkhaz economy develops, there are a number of technical and legal areas (capital market formation, accounting standards, regulatory harmonization) relating to the economy where Abkhazia will require capacity building and where Western actors could play an important consultative role. For example, Abkhazian officials have expressed interest in upgrading and developing the North-South rail corridor through Georgia, which would also potentially allow travel and commerce between Abkhazia and Armenia.

On the civil society side, Abkhaz NGOs should be connected with broader international networks on issues of common concern. Previously, the international NGO presence has been limited to those working on humanitarian issues as well as a few organizations that were facilitating conflict resolution between the Abkhazia and Georgian communities. Yet, there are a number of urgent advocacy issues that Abkhaz civil society could flag for the broader transnational community, and through this engagement, benefit from international expertise. On the environmental front, the rapid development of Sochi and the Abkhaz Black Sea coast, including the opening of a massive new cement plant in Tkvarcheli slated to supply construction for the 2014 Olympic Games, provide an opportunity for concerned Abkhaz environmental organizations to present their campaign to a broader international audience. Questions about corruption and good governance stemming from recent Russian investments in the region would make an ideal entry point for Transparency International and other similar good-governance oriented NGOs to consult with local groups and even consider opening a local chapter. Human rights and democracy NGOs, such as Freedom House, should consider generating separate reports on the state of political freedoms and human rights in Abkhazia. Many NGOs, such as the International Crisis Group, have experience operating in disputed territories or post-conflict environments. Finally, Abkhazia’s media and journalists, recently under severe pressure from the leadership in Sukhumi because of their critical stories about domestic corruption and governance, would greatly benefit from the opportunity to participate in exchange programs and join international journalist networks. All of these international linkages with Abkhazia civil society and media should be encouraged and can be forged without broaching the question of Abkhazia’s political status.

39. Charles Recknagel, “Smuggling Dispute Between Sukhumi, Tbilisi Enters Uncharted Waters, Legally” *Rferl.org*, September 4, 2009, [http://www.rferl.org/content/Smuggling\\_Dispute\\_Between\\_Sukhumi\\_Tbilisi\\_Is\\_In\\_Uncharted\\_Waters\\_Legally/1814822.html](http://www.rferl.org/content/Smuggling_Dispute_Between_Sukhumi_Tbilisi_Is_In_Uncharted_Waters_Legally/1814822.html).

40. Georgian officials have affirmed that they are committed to finding a mutually beneficial procedure through which Turkish vessels could visit Abkhazia, but subject to a customs inspection stop by Georgian officials beforehand.

In the field of education, the West should afford opportunities for Abkhaz students to travel to and study in the European Union and the United States, even if they choose to travel on Russian or the future Abkhaz passports. The U.S. Fulbright and Muskie Fellowships, and the State Department's International Visitor's program could be extended to Abkhaz residents, while the EU should include Abkhaz students and universities in their Erasmus Mundus programming. Both Washington and Brussels, as well as interested NGOs and international organizations, could increase their sponsorship of Georgian-Abkhaz student dialogues in third countries. Given the relatively small population of the region, offering even a few opportunities in the area of education has the potential to make a significant impact on how the next generation of Abkhaz leaders, educators, and entrepreneurs views the West.

Initially, the sequencing of these projects should not be tied to progress or benchmarks in the Geneva talks or any other status negotiations. Rather, the aim of EU and U.S. policymakers should be to encourage the establishment of a wide variety of contacts through which the Abkhaz can better understand the priorities and political values of the West and offer a real alternative to dependence on Russia. Over the medium term, however, the nature and degree of these contacts could be adjusted or even explicitly tied to an actual status process or certain reconciliation initiatives with Georgia. Once an array of international links has been created, the West will have considerably more leverage over Abkhaz actors in future status negotiations than they do now.

### **The Perspective from Georgia: The Law of Occupied Territories and a New Strategy**

A policy of engagement without recognition, while probably the only way to preserve hope for a reunified Georgia, will likely be met with sharp disapproval from Tbilisi. Since the war, Tbilisi has maintained a hard-line position on Abkhazia and South Ossetia, stressing that they are occupied parts of Georgia, and has sought to isolate Abkhazia and South Ossetia from the rest of the world.

But the long-term interests of Georgia need to be untangled from the short-term political interests of the current Georgian government. In Georgia, Abkhazia and South Ossetia are deeply intertwined with domestic politics. Taking a strong stand on the inviolable and sacred nature of Georgia's territorial integrity is good political rhetoric for the Georgian government. Paradoxically, the government's short-term interests may be better served by taking a hard line and isolating Abkhazia, but these are the policies which will continue to make territorial

integrity little more than a dream for Georgia. Therefore, being seen as holding the line on territorial integrity is essential for the survival of the Saakashvili regime, but actually solving the problem, which nobody genuinely expects them to do, is not.

In Georgia there is currently little debate about policy towards Abkhazia. Although there is broad agreement that Abkhazia should be returned to Georgia, there is not much serious discussion about how this can happen. The Geneva process, which began after the war as an attempt to bring Abkhaz and Georgians to the negotiating table, has for the most part stalled. In October 2008, Georgia passed the Law on Occupied Territories that spells out Georgia's intention to isolate Abkhazia.<sup>41</sup> This Law makes it a crime to enter Abkhazia from Russia, outlaws any economic activity with Abkhazia that requires regulation or licensing in Georgia, and defines any governmental activity by the de facto authorities in Abkhazia as illegal. While this Law might be viewed simply as Georgia's attempt to clarify its position that Abkhazia is part of Georgia and is occupied by Russia, it has made it very difficult for any third country to have any civic or economic ties with any individuals or organizations in Abkhazia.

The Law on Occupied Territories has been a subject of concern by the Council of Europe's Venice Commission, which has expressed reservations about provisions regarding:

the criminalisation of irregular entry into the occupied territories with no explicit exclusion of humanitarian aid and no explicit exception for emergency situations, the restriction and criminalisation of economic activities necessary for the survival of the population in occupied areas as well as a (potential) restriction and criminalisation of humanitarian aid ... [and] - the blanket limitation of freedom of navigation and overflight of third States' flag ships and aircrafts.<sup>42</sup>

Any nuanced Western and particularly U.S. policy toward Abkhazia which moves significantly beyond the platitude of non-recognition will challenge the controversial Law on Occupied Territories and will likely be resisted by the hard line government in Tbilisi. However, if recent history of U.S. policy in the region teaches us anything, it is that sometimes it is necessary to craft an independent policy, rather than simply allowing Tbilisi to determine U.S. positions on Abkhazia.

41. Available on the Council of Europe's Venice Commission website. See *Law on Occupied Territories*, 2009, [http://www.venice.coe.int/docs/2009/CDL\(2009\)004-e.asp](http://www.venice.coe.int/docs/2009/CDL(2009)004-e.asp).

42. *Venice Commission Opinion on the Law on Occupied Territories of Georgia*, March 13 - 14, 2009, <http://www.venice.coe.int/docs/2009/CDL-AD%282009%29015-e.asp>.



*The New Georgian Strategy Towards Abkhazia*

On January 27, 2010, the Georgian government endorsed a new “State Strategy on Occupied Territories: Engagement through Cooperation,” designed to achieve “de-occupation” of the breakaway territories, reverse Russia’s annexation of these regions, and encourage their reintegration into Georgia. The Strategy, according to Georgian officials, marked the culmination of months of deliberations among various Georgian government agencies, analysts, and think tanks, and represents, for Tbilisi, a significant step towards achieving conciliation. The Strategy calls for a series of cooperative initiatives – such as the promotion of economic projects, the reconstruction of North-South transportation infrastructure, freedom of population movements, and education and health programs – in order to promote “cooperative engagement” between the Abkhaz and Georgian IDPs from Abkhazia.<sup>43</sup> The Strategy also calls for international initiatives that will involve joint Abkhaz, South Ossetian, and Georgian participation along these various issue areas.

According to Georgia officials, two elements of the Strategy represent a sharp break from previous Georgian policy. First, the Strategy sets aside issues of status and any prerequisites concerning a status process in favor of encouraging an immediate series of contacts between Abkhaz groups and their counterparts in Georgia. Second, the Strategy remains neutral on the issue of security and talks of the “peaceful” reintegration of the territories to Georgia. According to Georgian State Minister for Reintegration Temuri Yakobashvili, these two concessions on the part of Tbilisi represent a major revision in Tbilisi’s thinking and should signal that these proposals are being made in a good faith outreach effort to Sukhumi.<sup>44</sup>

The reaction in Sukhumi to the new Georgian Strategy has been to either ignore it or to dismiss it entirely. When asked to comment on what aspects of the Strategy they had issues with, leaders in Sukhumi cited the inflammatory language on “occupation” contained throughout the document and also dismissed the idea that they should still consider any plan whose end goal remains the “reintegration” of the breakaway territories into Georgia. One member of the Abkhaz team at the Geneva talks observed that certain elements of the Strategy may have been viewed more favorably ten years ago, but that the situation had changed so much since the war and Russia’s recognition of Abkhaz independence that the Strategy holds no interest for Sukhumi now.<sup>45</sup> Leaders in

Sukhumi also interpret the Strategy as an attempt by the Georgian Ministry of State Reintegration to exclusively control or mediate all proposed interactions between Abkhazia and the outside world, including international organizations and NGOs, another outcome that they view as unacceptable. Finally, Abkhaz officials expressed the view that the Georgian Strategy is less of a good faith attempt to reconcile with Abkhazia, and more of an effort designed to appeal to the international community, especially the European Union and the United States; in the Abkhaz view, Georgia is trying to signal to the West that it is making a serious effort to promote reconciliation and conflict resolution, something that Tbilisi previously had been criticized of failing to do in good faith.<sup>46</sup> The challenge for Tbilisi now is to find a way to implement the Strategy in a way that will assuage these fears and suspicions in Sukhumi.

The unveiling of the Georgia Strategy also raises the question of whether our proposed new Western policy of engagement without recognition is compatible with Tbilisi’s new Strategy. Our view on this issue is twofold:

1. U.S., or Western policy towards Abkhazia and the South Caucasus more broadly, cannot be restricted by the preferences of Tbilisi, nor can Tbilisi’s policy initiatives, however positive and welcome, function as substitutes for initiatives from Brussels and Washington. Regardless of its specific features, it is imperative that the United States draws up its own policy and strategy towards the breakaway territories and Abkhazia in particular.
2. Despite some voices of objection within the government of Georgia, there is nothing in the language of the new Georgian Strategy that inherently makes it incompatible with the proposed strategy of engagement without recognition. Key differences, however, may arise in how the Strategy is implemented. For example, Georgian officials may continue to insist that Abkhaz travel on neutral or “grey” passports issued by Tbilisi, or they may condition inclusion of other countries on Abkhaz cooperation with Georgian IDPs from Abkhazia. In our view, both mediated and unmediated contacts between Abkhazia and the outside world are necessary if we are to halt Russia’s annexation of the territories. In fact, establishing a set of unmediated contacts with the international community could itself become a source of Western leverage so that in the future the international community could demand greater Abkhaz cooperation on reconciliation initiatives or progress in the Geneva process.

43. *State Strategy on Occupied Territories: Engagement Through Cooperation*, 2010, <http://www.civil.ge/files/files/SMR-Strategy-en.pdf>.

44. *Remarks made by Minister for Reintegration Temuri Yakobashvili at his presentation of the strategy at Columbia University*, March 5, 2010.

45. Authors’ interviews with Abkhaz officials in Sukhumi (April 15-

16, 2010).

46. *Ibid.*

## Recommendations

The primary considerations for U.S. policymakers should be to reduce the chances of further conflict and to halt Abkhazia's growing dependence on Russia. While the Georgian government may believe that its new Strategy offers compromises that are painful, and that the Georgian public would simply not tolerate any additional concessions, meeting the political needs of an embattled Georgian government should be at most a secondary concern for Washington and Brussels when formulating their own strategies towards the Georgian breakaway territories. The United States continues to have a great deal of leverage with Georgia, not least because of the enormous financial support it continues to provide to that country. At the same time, the EU's European Neighborhood Partnership Initiative with Georgia, the EU-Georgia Cooperation Council, and the European Union Monitoring Mission in Georgia are all instruments that Brussels could use to impress upon Tbilisi the importance of accepting the "engagement without recognition" compromise on Abkhazia. Using the multiple levers that the West has to pursue a policy that engages Abkhazia and keeps alive the distant possibility of Georgia's future territorial integrity seems like a reasonable approach to pursue. Moreover, it is also now the only realistic policy available to prevent Abkhazia's full absorption into the Russian Federation. In sum, the United States should:

- *Commit to developing a strategy towards Abkhazia and South Ossetia that is based on U.S. interests and capacity and is not driven exclusively by Tbilisi.*  
The international community should remain steadfast in its policy of non-recognition of the independence of Abkhazia or South Ossetia. U.S. officials should certainly remain engaged with Tbilisi over the implementation of the Georgian new strategy; however, Tbilisi's policies towards the Abkhazia and South Ossetia cannot be treated as a substitute for the United States developing its own strategy.
- *Distinguish between engaging with Abkhazia and South Ossetia.*  
Abkhazia is a viable political entity with a set of functioning political institutions, political parties, media outlets and civil society. By contrast, South Ossetia's geographic isolation, extremely small population and infiltration by Russia, mean that it lacks the viability to become even an autonomous province of Russia, let alone an "independent state." As such, U.S. engagement efforts should be directed towards Abkhazia.
- *Realize that the Russian Federation is rapidly annexing Abkhazia and the time for action is now.*  
U.S. officials do not have the luxury to wait a few years for "strategic patience" or for Georgia to implement its own strategy towards Abkhazia. It must act immediately to try and buy time and halt Russia's current annexation of Abkhazia.
- *Adopt a policy of "engagement without recognition" towards Abkhazia.*  
The only way to reverse the isolation of Abkhazia and break its dependence on Moscow is to offer it alternative partners and international opportunities for cooperation and engagement. These could be offered in a status neutral manner. Engaging with Abkhazia, moreover, is necessary for the West to gain some leverage over Sukhumi that it currently lacks.

### III.

## Democracy

Political events in Georgia since the Rose Revolution are deeply entwined with a narrative of democracy. Because of Georgia's need and desire to be more closely aligned with the West, democracy takes on additional import in that country. For Georgia, the link between democracy and stability is clear and direct. Without the former, the latter will continue to be elusive. Without a firm basis for political stability, Georgia's security will not be ensured.

Given the internal politics of NATO, there is certainly no guarantee that if Georgia became a consolidated democracy, it would automatically become a member of NATO. However, the continued failure of Georgia to become democratic will make it very easy for NATO to keep Georgia out and perhaps preclude any serious discussion of how Georgia could join the alliance. The same is true of Georgia's aspiration to join the EU.

For Georgia and other Eastern European countries, most clearly the Baltic states, NATO membership is key to protecting themselves against the ongoing threat presented by Russia. Accordingly, attaining NATO membership is the central component of Georgia's security strategy. This will only be possible if Georgia becomes more democratic.

The persistent, if moderate, political instability in Georgia is also a hindrance to the country's growth and development. This instability has manifested itself in frequent street demonstrations, low- and medium-level government harassment of opposition political forces, resignations (not just of the prime minister in 2007, but of numerous government officials since 2004), frequent cabinet shakeups, and of course the military defeat in 2008. Instability also manifests itself in the government's manipulation of Georgian nationalism and the policy of maligning domestic and international political critics by branding them as "Russian spies" or agents of the Russian state company Gazprom, thereby attempting to paint legitimate political dissent as a national security issue. For Georgia, greater democracy will likely moderate political rhetoric and anger, disperse power, and contribute to better decision making, which in turn will reduce the chronic instability in Georgia.

### Democracy in Georgia after the Rose Revolution

The Rose Revolution was initially viewed as a major democratic breakthrough for Georgia and a harbinger

of further democratization in the region. There was a great deal of genuine excitement in Washington surrounding the peaceful transition from the decrepit and corrupt Shevardnadze regime to the new and energetic Saakashvili administration in late 2003 and early 2004. In addition to coming to power through peaceful protests following a stolen election, members of the new Georgian government publicly stressed their desire to become a Western and democratic country. The impressive public statements, Western training, youth, and, not least, English-language skills of Saakashvili and many members of his government contributed to these optimistic expectations as well.

The initial enthusiasm for Saakashvili and the contrast between his administration and that of his predecessor obscured the more complicated reality of Georgia's democratic evolution since 2004. Early in Saakashvili's first term, the democratic promise of the Rose Revolution began to dissipate and its long-term impact became more ambiguous.

The first indication of democratic backsliding came when Saakashvili approved a set of constitutional amendments in February 2004, very shortly after he took office. The substance of the amendments and the process by which they were approved should have raised concerns about the democratic intentions of the new government.

Substantively, these amendments restructured much of the government and strengthened the presidency. The new constitution also created a prime minister who would be appointed by the president and preside over a Council of Ministers which he would directly appoint, thus weakening the Parliament. The president, however, retained the right to directly appoint the key ministers of defense, interior, and security. The president also retained the right to dissolve the entire cabinet. While the amendments allowed for the impeachment of the prime minister and his government if 60% of Parliament called for his removal, the vote would not affect the president. Additionally, the president was given the ability to dissolve Parliament if it failed to ratify the budget, effectively making the Parliament no longer an important participant in budgeting. Even after the constitutional amendments were passed, the president retained the authority to appoint governors and mayors throughout the country.<sup>1</sup> In sum, these constitutional

1. See Sabine Freizer, "Georgia's Constitutional Amendments: A Set-back for Democratization?" *Central Asia- Caucasus Institute Analyst*,

amendments were the first of many troubling signs that one of the major challenges to Georgian democracy would be the centralization of power in the presidency.

Furthermore, the process by which the amendments were passed indicated the government's willingness to act quickly without paying sufficient attention to legal processes, adequate public deliberation, and democratic oversight; this shortcoming hindered Georgia's democratization throughout the post-Rose Revolution period. The constitutional amendments were passed in early 2004 by a rump Parliament that consisted of 75 MPs who were elected to single mandate districts in the disputed 2003 parliamentary election and 150 MPs who remained from the previous Parliament. These 150 members were not replaced until the March 2004 parliamentary elections, but despite their questionable legitimacy, they were allowed to vote on matters of utmost constitutional importance.<sup>2</sup> While this Parliament would not, on the surface, seem as friendly to Saakashvili as the one that was elected in March 2004, the returning MPs were eager to curry favor with the new president. Those who did not toe the line were cajoled and threatened, as needed, into supporting the new amendments, which were rammed through Parliament without allowing for sufficient – and legally required – debate and public discussion period. The constitutional amendments and the process by which they were passed attracted no attention in the United States and very little in Europe, but they served as a warning that the new Georgian government's dedication to democracy was not as strong as it had initially proclaimed.

Georgia's democratic development since the Rose Revolution can be divided logically into two periods, with November 2007 as the dividing line. Before then, Georgia had clear problems with democracy that included the hastily passed constitutional amendments, the emergence of a one-party system with strong ties between the ruling party and the state, a less-than-free media climate, the government's ongoing tendency to cut democratic corners in order to more quickly pass its legislative reforms, and a willingness on the part of the government to manipulate election law in order to strengthen their chances of winning elections.<sup>3</sup>

February 11, 2004, <http://www.cacianalyst.org/?q=node/1853>.

2. The faulty elections that immediately preceded Shevardnadze's resignation in November 2003 were partially invalidated. The 75 members who had been directly elected from single mandate districts were seated in the new Parliament, but those elected by party list were not recognized. Plans were made to redo the party-list portion of the election in early 2004. In order to maintain a functioning Parliament, the terms of the existing members elected by party list in 1999, were simply extended until the new Parliament was elected.

3. Areshidze and Lansky (2008) and Mitchell (2009) describe the relationship between democracy and state-building in Saakashvili's Georgia. In an interview with the *Financial Times* in the early months of his administration, Saakashvili made his belief that state building

**Table 1: Georgia's Scores in Freedom House's Freedom in the World Survey<sup>4</sup>**

Year	Political Rights	Civil Liberties	Status
1991	6	5	Not Free
1992	4	5	Partly Free
1993	5	5	Partly Free
1994	5	5	Partly Free
1995	4	5	Partly Free
1996	4	4	Partly Free
1997	3	4	Partly Free
1998	3	4	Partly Free
1999	3	4	Partly Free
2000	4	4	Partly Free
2001	4	4	Partly Free
2002	4	4	Partly Free
2003	4	4	Partly Free
2004	3	4	Partly Free
2005	3	3	Partly Free
2006	3	3	Partly Free
2007	4	4	Partly Free
2008	4	4	Partly Free
2009	4	4	Partly Free
2010	4	4	Partly Free

Source: Data gathered from Freedom House's Freedom in the World yearly survey. The data can be found on Freedom House's website, [http://www.freedomhouse.org/uploads/fiw09/CompHistData/FIW\\_AllScores\\_Countries.xls](http://www.freedomhouse.org/uploads/fiw09/CompHistData/FIW_AllScores_Countries.xls).

During this period, however, the indicators of Georgian democracy were not entirely negative. The government took strong steps to reduce petty corruption, including in the law enforcement and education sectors, and to strengthen the institutions of the Georgian state. Such measures were supported and appreciated by the Georgian public. Television stations critical of the government, while harassed from time to time, were still allowed to broadcast nationally. Even though the country's election laws were often manipulated, elections initially were markedly better under Saakashvili's administration. Democratic development in Georgia was uneven and apparently was not a priority for the government; still, there was at least some reason to believe that Georgia was moving in the right direction.

The situation changed for the worse in November 2007, when the Georgian government violently dispersed peaceful demonstrations in Tbilisi using water cannons, baton-wielding security forces, and sonic weaponry. International nongovernmental organizations (NGOs), such as Human Rights Watch, estimated that over 500

was the priority for his government clear as well. See Arkady Ostrovsky, "How to Be a Founding Father," *Financial Times*, July 9, 2000. Giorgi Areshidze and Miriam Lansky, "Georgia's Year of Turmoil," *Journal of Democracy* (2008): 154-168.



people were injured in the crackdown.<sup>5</sup> The dispersal of the demonstrations occurred alongside increased repression of the media; for example, Georgia's most powerful independent media outlet, Imedi TV, was raided by police who destroyed equipment and effectively shut down the station. These government actions were not a complete surprise, as Tbilisi's commitment to democracy had been weak for years; however, they were of a qualitatively different nature than anything that had occurred in the preceding three years.

Shortly after the November 2007 crackdown, Saakashvili resigned briefly before being reelected in a snap election in January 2008. Unfortunately, that election, as well as the parliamentary election that occurred in May 2008, were not of the same caliber as previous elections in post-Rose Revolution Georgia. In both cases, the ruling party won strong victories amid reports that government resources were used to help the ruling party, that opposition parties were granted unequal access to media, and that the government had undertaken efforts to guarantee the outcome they wanted.<sup>6</sup>

In the roughly two and a half years since the November 2007 crackdown, in addition to conducting two elections in a manner that suggested the quality of elections in Georgia was not improving, there has been substantial cause for concern about media freedom, government surveillance, the continued concentration of power in the presidency and Interior Ministry, the absence of an independent judiciary, and a Parliament that has grown weaker since the years immediately following the Rose Revolution.

In April-July 2009, when street demonstrations often tied up parts of downtown Tbilisi, the government responded differently than in it had in November 2007 and refrained from violently dispersing the demonstrators. The Georgian authorities sought, and received, much commendation for their restraint from Western authorities, though European observers expressed concern about the harassment and beatings of demonstrators that were carried out in the evenings by irregular groups with ties to the Interior Ministry.<sup>7</sup>

5. See, for example, Human Rights Watch's account. "Georgia: Riot Police Violently Disperse Peaceful Protesters," *Human Rights Watch*, November 7, 2007, <http://www.hrw.org/en/news/2007/11/07/georgia-riot-police-violently-disperse-peaceful-protesters>.

6. Election reports by the domestic monitoring organization ISFED as well as by OSCE/ODIHR provide some detail on this. ISFED reports can be accessed at <http://www.isfed.ge/eng/elections/reports/>. OSCE/ODIHR reports can be accessed at <http://www.osce.org/odihr-elections/30930.html>. In the presidential election, Saakashvili's victory was clear, but there was some concern that the government had increased Saakashvili's vote totals to ensure that the president received over 50% of the vote so as to avoid a runoff with challenger Levan Gachechiladze.

7. See, for example "Georgia: Violent attacks on peaceful demonstrators in Tbilisi," *International Federation for Human Rights*, April 24, 2009, <http://www.unhcr.org/refworld/country,,IFHR,,GEO,4562d8cf2>

## Taking Stock and Moving Georgia's Democratization Forward

The Georgian government appears, at least at its highest levels, to understand the country's democratic shortfalls. Since November 2007, Saakashvili has twice pledged to redouble his efforts to bring democracy to Georgia (these statements were given in September 2008 and again in summer 2009, shortly before U.S. Vice President Biden's visit to the country), even calling for renewing the Rose Revolution. One sign of Saakashvili's supposed commitment came when he appointed a special minister for democracy issues.<sup>8</sup> These gestures and statements, however, rarely translate into significant action, as promises of greater government efforts to strengthen democracy are seldom followed by meaningful steps or significant institutional reforms.

While there may still be a future for democracy in Georgia, and helping Georgia move in that direction should remain an important U.S. goal, it is important to recognize that Georgia is no longer a model of democracy for anybody. Although Georgia remains the most democratic country in the South Caucasus and one of the more democratic countries in the former Soviet Union, the country has become less democratic over the last few years and has failed to live up to its rhetoric and potential. Moreover, the state of democracy in Georgia does not compare favorably to that of the Baltic states, which were admitted to NATO and the European Union after demonstrating deep reforms along a number of dimensions.

While the deficiencies of the Georgian government are certainly one of the reasons for the failure of democracy to grow in Georgia following the Rose Revolution, they are far from the only reason. The Georgian government, for its part, has often blamed the opposition for the absence of democracy in Georgia; for example, the government faults the opposition for conducting ad hominem attacks and constantly making unrealistic demands, including calls for the president's resignation. The government has sometimes accused the opposition of being in cahoots with Russian security and intelligence forces; it also has criticized the opposition for neither maintaining

,4a2cd0cfc,0.html, and "Address by Holly Cartner at the Parliamentary Assembly of the Council of Europe (PACE) debate on the state of human rights in Europe," *Human Rights Watch*, June 24, 2009, <http://www.hrw.org/en/news/2009/06/24/parliamentary-assembly-council-europe-pace-debate-state-human-rights-europe>.

8. The minister, Dmitri Shashkin, had worked for the International Republican Institute (IRI) in Georgia for many years and thus had ample experience working on democratic development. In an unfortunate decision, Saakashvili also gave him the prison and penitentiary portfolio, thus creating perhaps the world's only Minister for Prisons and Democracy. Shashkin held this portfolio for less than a year before he was appointed Minister of Education.

discipline nor making substantive demands.<sup>9</sup> While these accusations are true in many cases, they obscure both the government's role in maintaining the weakness of the opposition as well as the larger structural problems which Georgian democracy faces. Additionally, because the political opposition is sufficiently weak and is likely to remain so for the near future, the government must take the leading role in instituting reform. In light of this reality, the United States must develop policy accordingly.

Blaming the major political actors in Georgia, however, overlooks some of the larger structural problems that democracy faces there. Since independence, the failure to develop a meaningful multiparty system has hindered democratic development in Georgia and has made it susceptible to dominant-party rule, as is currently the case. There are few substantive differences, such as fiscal policy or a vision for the economy, that divide the Georgian electorate and are reflected in the platforms of differing political parties; indeed, few political interests are represented through parties. Instead, nearly two decades after independence, political parties are personality-dominated and defined almost entirely by their relationship to the party in power.

Similarly, the weakness of Georgia's civil society and media – most evident in the increased government control and recent decline of so-called watchdog NGOs – is also manifested in the weakness of local organizations, the relative absence of community groups, and a critical shortfall of social capital.

As such, U.S. democracy policy toward Georgia must engage both the government and the opposition while reflecting the political reality and its bearing on democracy and the structural challenges facing the country. Many of these challenges have roots in the politics and history of Georgia since well before the Rose Revolution.

## The Current Situation

Georgia entered 2010 with a political system that was dominated by Saakashvili's United National Movement (UNM). In addition to holding the presidency, the UNM had a large majority in Parliament and controlled every local government in the country. Additionally, almost all officials holding appointed office, including the mayors of Georgia's most populous cities, were either members of or sympathetic to the UNM. Currently, only two

parties are represented in Parliament: the UNM and the Christian Democrats.

The second half of 2009 and first months of 2010 were considerably calmer than the previous twelve months. There were fewer street demonstrations and calls for the president's resignation. The message sent by the new U.S. administration that it would not tolerate crackdowns similar to those seen in 2007 seemed to have been received by Georgian authorities. Moreover, during this period, no major figures in the Georgian government defected to the opposition, and there were few high-profile instances of abuse of power by the government.

Unfortunately, there was also little evidence that democracy was advancing in Georgia. The media did not become any more free during this period; instead, it remained mostly under the strong influence of the government.<sup>10</sup> The government also abandoned a promise made by Saakashvili at the United Nations in 2008 that the mayors of all big cities would be elected, instead only allowing the mayor of Tbilisi to be elected. The early negotiations regarding the Tbilisi mayoral race resulted in the government successfully setting a 30% popular vote threshold in the first round. Setting such a threshold was broadly understood as a way to ensure that UNM candidate Gigi Ugulava would not have a second round ballot against the leading opposition candidate, Irakli Alasania.

The recent absence of any major events, demonstrations, or immediate crises preceding what will be a tense three-year period with three major elections, has lent a calm-before-the-storm feeling to the Georgian political environment. The next three years, beginning with local elections in May 2010 and including the mayoral race in Tbilisi which occurred after this volume was completed, will be a critical period for Georgia's democratic development and overall stability.

The 2010 local elections and 2012 parliamentary elections will be important in their own right, but they will also help set the stage for the 2013 presidential elections that will determine the successor to Saakashvili, who is constitutionally barred from seeking another term as president. If Georgia makes it through the next three years with some stability, an increased level of political pluralism, and a successful transition to a new president in an election that is broadly viewed as free and fair,

9. For example, only three weeks before the violent crackdown in November of 2007, Saakashvili referred to the opposition as "truly weak" and "often rather destructive." See "President Saakashvili Proposes Electoral Reforms," *President of Georgia*, October 17, 2007, <http://www.president.gov.ge/?l=E&m=0&sm=3&st=70&id=2375>.

10. See, for example, Human Rights Watch's World Report 2010, which states that "the media environment [in Georgia] remains mixed, with diverse print media, but nationwide television broadcasting limited to the state-owned public broadcaster and pro-government Rustavi 2 and Imedi stations. Transparency of media ownership remains a concern. Several journalists alleged pressure and attacks. Nato Gegelia, a journalist for the regional newspaper Guria News, was assaulted in a police station on June 10 in Chokhatauri, in western Georgia, as she investigated an opposition activist's detention." See "Human Rights Watch World Report 2010: Georgia," *Human Rights Watch*, 2010, <http://www.hrw.org/en/node/87536>.

there will be real reason for optimism about Georgia's future. Achieving this, however, will not be easy, and the consequences for failure are quite severe.

It is imperative that U.S. policy reflect these challenges and begin to focus on helping develop the institutions necessary for this transition to occur. The upcoming elections and the periods between them are not just another test for Georgian democracy. Framing these events that way allows the U.S. to avoid recognizing how high the stakes are and the seriousness of the problems facing Georgia's democratic development. Accordingly, the time to test Georgian democracy has passed. It is now time to confront and seek to address the shortcomings. The United States must engage with Georgian institutions and political actors during this period in a sustained and strategic manner.

## Democracy and National Security

In Georgia, democracy is a key component of national security. Membership in NATO or the EU is not a serious possibility until Georgia becomes more democratic. Similarly, Georgia's strategic value to the West is still somewhat based on a belief in shared political orientations and values. If Georgia is viewed as just another semi-authoritarian post-Soviet country, it will become increasingly difficult for Western countries, particularly in Europe, to continue to be interested in helping Georgia resolve its security threats and lingering conflicts. This precarious position is understood by the Georgian government; Georgian leaders visiting Europe and the United States frequently stress their country's Western values and democratic credentials, even as these credentials weaken. The credibility of Georgia's claim to share Western values and attributes, however, has diminished in Europe in the past several years. Georgia can combat this trend by finding better ways to tell its story or by changing the reality within its borders. The United States should help Georgia focus on the latter approach.

For Georgia, national security has been tied to several related goals since 2004, including rebuilding the state and restoring territorial integrity. It is difficult to disaggregate these issues, particularly given the centrality of South Ossetia and Abkhazia to Georgia's perception of its security, national identity, and territorial integrity. Similarly, the state that Saakashvili inherited in 2004 was simply too weak to deliver basic services or maintain a modicum of domestic order, let alone competently defend its borders. The leaders of the Rose Revolution, not without reason, made these three related goals their top priority when they came to office. They made the mistake, however, of believing that the pursuit

of democracy was in conflict with these goals. While in some countries there may be a trade-off between democracy and security, this was not true in Georgia, where Saakashvili and his party enjoyed enormous popular support and complete control of the government.

Taking a more democratic approach to state-building and national security policy in the period from 2004-2007 would not have sidetracked these efforts. Greater adherence to democratic processes probably would have slowed these efforts down slightly, but they also may have led to better decision making. Significantly, the Georgian government, as noted above, was very clear about its intent to prioritize state-building and received almost no pressure from the United States or elsewhere to focus on democracy as well.

As the Georgian government began to cut corners on democracy and deliberation in the name of building the state and strengthening the military, its leadership developed bad habits. Policies requiring parliamentary debates and hearings were instituted by presidential decree, informal networks within the government became more powerful as they helped accelerate reforms, judicial processes were skirted, public input was limited, and opposing voices were ignored. Despite these bad habits, government policies were in many cases fine at first. By 2006 the Georgian state was by any measure, stronger, more competent, and more honest than it had been at the time of the Rose Revolution. This increased competence is illustrated by the fact that services were delivered more efficiently, ordinary citizens encountered less petty corruption, and state coffers grew because of more efficient tax collection.<sup>11</sup>

The bad habit of deemphasizing democracy in order to move more quickly to achieve policy goals, however, proved to be difficult to change. These habits tended to worsen with time. The government's willingness to overlook institutional checks and balances and ignore opposition voices contributed to the frustration that led to street demonstrations in November 2007 and spring of 2009. Additionally, this attitude was undoubtedly used by the government to rationalize the abuses surrounding the elections in 2008.

These bad habits, however, are problems of democracy rather than of national security. However, they became problems of national security because they contributed to instability and poor decision making by the government. For Georgia, instability both reduces its chances of being integrated into organizations like NATO and makes it an easier target for Russian interference. The best way to address this instability is not by strengthening the Saakashvili regime, which was the United States' strategy from 2004 to 2008, but by

11. Lincoln Mitchell, "Compromising Democracy: State Building in Saakashvili's Georgia," *Central Asian Survey* 28:2 (June 2009).



helping Georgia become more democratic.

Democracy is not only necessary for Georgia to increase its chances of joining NATO or of being viewed by Europe as a valuable ally; it is also necessary in order to make better decisions on questions of national security. Georgia exists in a very difficult security context with little room for error. For example, the mistakes made by the Georgian government leading up to the 2008 war were neither indefensible nor criminal, but they were mistakes nonetheless, and Georgia has paid for them dearly.

It is very difficult to argue that the reasons for these mistakes lay in a decision-making process that was too inclusive or a government that stuck too rigorously to institutional constraints. Similarly, it is implausible that, had there been greater democracy in Georgia, the government would have made more serious mistakes. The opposite case is more likely: it was the absence of any checks on the relatively small and ideologically simpatico circle of advisors around Saakashvili that contributed to the flawed decision to begin shelling Tsinkhvali on August 7, 2008.

A more democratic Georgian government, characterized by greater accountability, transparency, and acceptance of oppositional viewpoints would make better decisions on national security. A freer media climate, for example, would not weaken Georgia but would allow citizens to understand more clearly what decisions their leaders are making and what bearing those decisions have on their country's national security. The current media environment allows the government to dominate the public discourse to the extent that issues of national security are often understood poorly and are skewed according to the government's wishes.

Such arguments are not mere speculation. In late September and early October 2008, the Georgian people believed overwhelmingly that the war had started because "Georgia reacted to Russian military aggression in South Ossetia" (84%), viewed the performance of the Georgian military during the war as "good" or "very good" (89%), and thought that Saakashvili's performance during the war was "positive" or "very positive" (77%).<sup>12</sup> While some of these responses can be attributed to a rally-around-the-flag effect that was caused by the war, it is also clear that public opinion in Georgia was not developed with adequate access to a range of information or viewpoints. The limits on information available to the Georgian people meant that citizens were unable to hold their government accountable because they simply were unaware of what had actually happened. It also meant

that the government faced no consequences for losing the war because the people essentially thought they had won.

## Democracy and Stability

The weakness of Georgian democracy has also contributed to the instability that has been a problem in Georgia since the war. This persistent instability has generally existed at a relatively low level and has never really threatened to bring the government down; still, it has created obstacles to governance, led to heightened tensions between the government and the opposition, and likely produced a negative effect on investor confidence in Georgia. Georgia is not a resource-rich country that would attract investors and businesses regardless of its politics; instead, it is a country that seeks to build its economy around being a transit hub where businesses can operate in a business-friendly, low-tax environment. Political instability of any kind jeopardizes this plan.

In the years immediately following the Rose Revolution, the Georgian government pushed through an ambitious reform program that included a number of bold and ultimately successful moves, such as firing the entire Tbilisi police force, radically revamping the education system, reducing the size of the bureaucracy, and creating a more friendly business climate. Each of these efforts, while good for Georgia's development, inevitably created groups of people who lost jobs, status, or even benefits that were gained through corruption. The shock caused by the reforms was made worse because the Georgian government rarely took a consultative approach to any of these decisions. Instead, the government often talked down to people or ignored all opposition. The country's leaders were confident that they knew best, and in many cases this was true. However, a more consultative and democratic approach probably would have resulted in less anger from citizens who considered themselves victims of Saakashvili's reforms and later joined demonstrations and other protests.

Much of the instability in Georgia is driven by tension between the government and some members of the political elite who have no access to the government or its decision-making processes. The willingness of the government to tamper with elections, beginning in earnest in 2006, has ensured the virtual monopoly on power held by Saakashvili's UNM. Opposition forces control no city councils and have only a few seats in Parliament. Saakashvili has also stacked the government, from cabinet members to mayors and university presidents, with political supporters, meaning that there are few opportunities for opposing voices to be heard or for opposition politicians to have an impact on policy. This disenfranchisement was exacerbated by the decision of

12. "Georgian National Study: September 23 - October 1, 2008," *International Republican Institute*, October 2008, <http://www.iri.org/ge/eng/poll/October2009-eng.pdf>.



a number of opposition parties to not take the few seats they had won in the 2008 parliamentary election as a way to protest government excesses. With all of the formal and institutional channels for involvement in politics blocked, it is no surprise that the streets often serve as the Georgia's main political arena.

The concerns raised by this alienated opposition political elite are also very political in nature. The country is not divided by regional, ideological, or ethnic differences; thus, only the views of the current government distinguish the government from the opposition. Not surprisingly, this leads to a very personal kind of politics in Georgia, where personal attacks and efforts to carry out character assassination are widespread on both sides, and almost any political dispute leads to calls for the president's resignation.

The weakness of Georgian democracy allows Russian influence, both real and imagined, to have a greater impact. There is ample reason to believe that Russia would like to destabilize Georgia, and the fact that it has contact with some members of the Georgian opposition understandably arouses suspicions of meddling. This, of course, does not help Georgia become more stable. However, the problem is exacerbated by the tendency of the Georgian government to accuse any opposition figure of collusion with Russia.<sup>13</sup> Indeed, members of the Georgian government have regularly accused international figures, including members of the Tagliavini Commission, of being bought off by the Russians. Such accusations may score some short-term political points domestically, but they transform the very act of political criticism into a threat to national security and severely undermine the credibility of Georgia's government in the eyes of international observers.

One of the unique features of Georgian politics is that service in the government seems to be a radicalizing experience. Leaders of what is generally referred to as the "radical opposition" include a former prime minister (Zurab Nogadeli), a former foreign minister (Salome Zurbishvili) and a former chair of Parliament (Nino Burjanadze). A former ambassador to the United Nations (Irakli Alasania) is also a prominent opposition figure. All of these people were once visible and powerful members of the government, but they gradually grew disillusioned with Saakashvili and those around him. Because of the weakness of Georgian political institutions, these once powerful politicians have been forced to the political fringes and to the street. All of these individuals, with the

possible exception of Zurbishvili, have been accused by the government of being Russian spies or stooges.

## **The United States' Role in Georgia's Democratic Development**

Issues of democracy and political development are central to U.S. policy in Georgia and have been for many years. Over the next several years, as Georgia enters yet another critical political period, these issues may take on greater import. For the United States, the two principles guiding policy on Georgia's democratic development should be staying engaged and recognizing that nobody is helped when the United States does not confront the weaknesses of Georgia's democracy. Specific policy recommendations flow very neatly and clearly from these two principles.

Engagement on democracy issues is important to Georgia for several reasons. First, the Georgian government cares deeply about the opinion of the U.S. government with regard to its democratic development. It is no coincidence that since November 2007, the two major statements made by Saakashvili regarding the need for more democracy occurred in the United States and shortly before Vice President Biden's visit to Georgia in July 2009. If the United States continues to be visibly engaged in Georgia generally, and in its democratic development more specifically, it will be more difficult for the Georgian government to avoid taking democratic reform seriously.

Not surprisingly, a lack of U.S. engagement sends precisely the opposite message: that the United States is not particularly concerned about democracy in Georgia. For example, the failure of the United States to make any public statements during the debate over the threshold for the Tbilisi mayoral race was interpreted by the Georgian leadership as evidence that the United States was not going to push them too hard to conduct a fair election. Although the U.S. position that the threshold for a runoff in a mayoral election is a level of minutia with which the United States should not be concerned, this was not how it was interpreted by the government or the opposition.

A major reason why the United States must engage Georgia about its democratic development in the next several years is that only through a consistent, medium-range, and somewhat broad strategy can Georgia succeed in preparing for the upcoming elections and transitions in the next three years. The presidential election of 2013 will be an enormously critical moment for Georgia. The parliamentary election of 2012 will be of almost equal import. For these events to help bring Georgia closer to democracy rather than instability or authoritarianism, it is essential that the United States becomes more heavily

13. This dynamic is not new in Georgia and existed in the Shevardnadze period as well. One of the authors of this report was also accused of being in cahoots with Russia in the weeks preceding the Rose Revolution because of his relationships with Saakashvili, Zhvania, and other members of what was then the opposition.

involved now and remains engaged at a high level through the election.

U.S. high-level engagement in Georgia should include programmatic support for democracy assistance, and a political focus on democracy. It also means that democracy should always be a central theme of the bilateral relationship between the two countries and that the U.S.-Georgia Charter's working group should continue its regular meetings and follow up with Georgian officials on its concerns and expectations.

The second major principle guiding U.S. democracy policy in Georgia should be the acknowledgment that an honest assessment of Georgian democracy must be the starting point for U.S. involvement in democratic development there. Being less than honest with Georgia – and frankly, with ourselves – about the state of its democracy helps neither Georgia nor the United States. An important component of this principle is that the U.S. assessment should be aired publicly so that the Georgian people may hear the United States' position directly from its representatives. Strong words about democracy shared in private meetings, combined with uncritical public statements, have time and again proved to be an ineffective way to push Georgia towards greater democratization.

The inability, or unwillingness, of the United States to ground its assessments of Georgia's democratic development in reality has contributed to the stalling of democracy in Georgia since the Rose Revolution. This has been a costly lost opportunity. By failing to take a more realistic and public position on democracy, the United States has sent the message that it was acceptable for Georgia to make democracy a lower priority, cut corners on questions of democratic processes, manipulate election laws, remove political programs from television, and consolidate power in the presidency. These actions contributed to an environment in which, by late 2007, the Georgian government believed it could violently disperse a crowd of peaceful demonstrators and ransack and shutter the major independent television station without a strong response from Washington.

The Georgian government was, unfortunately, right in this regard; Washington's silence contributed to the government's belief that the 2008 presidential election and subsequent parliamentary election did not have to be entirely free and fair, and that there would be very few consequences for manipulating those elections. The Georgian government was correct in this belief as well. By creating an environment in which democratic shortfalls are either ignored or downplayed, the United States has enabled Georgia to move increasingly further away from democracy. The best, and probably only, way to reverse this development will be to speak more frankly and openly about democracy in Georgia.

## Recommendations

The general guidelines regarding U.S. policy toward democracy in Georgia are remaining engaged and being frank about the state of democracy in the country. However, the United States also can take specific steps to ensure that the next three years are a period of positive democratic development for Georgia. A strategy that is grounded in ongoing engagement and a commitment to forthright assessments of democracy in Georgia will allow the United States to help Georgia's democracy evolve and will help both Georgia and the United States achieve their goals. The difficulty of working on democracy in Georgia is that the actual strength of Georgian democracy can be overstated in initial evaluations. Georgia remains freer and more democratic than its post-Soviet neighbors and most of the non-Baltic countries of the former Soviet Union. However, that status is not enough to get Georgia into NATO or to stabilize the country. Moreover, the state of Georgian democracy is not trending in the right direction. Ignoring this downward trend may open the door to a more authoritarian and less stable regime, particularly as Saakashvili's time in office winds down.

- *Recommit to supporting Georgia's independent media and civil society.*

The most obvious way for the United States to address the weakening of Georgia's civil society is to return to a strategy of substantial funding for NGOs that are engaged in democratic development and government accountability. Similarly, providing resources for journalists to produce a range of serious news and political programming and loans for independent television stations would be valuable contributions from the United States. However, it is also necessary for the United States to provide political support to independent journalists and civil society organizations. When the United States is silent after an NGO is raided or a government-controlled television station censors its reporting or refuses to cover an opposition figure, its lack of response is interpreted across the Georgian political spectrum as approval of these actions. While getting involved at this level may be uncomfortable for the United States, it is critical to Georgia's democratic future. If the United States ignores these problems, they will continue to occur and possibly grow worse. This is a clear lesson from 2004-2009.

- *Publicly state expectations for national elections early, and broadly engage with the election process.*

Georgia will hold national parliamentary elections in 2012 and a presidential election in 2013. Early U.S. engagement could help resolve questions about the health of Georgia's democracy well before the elections and foster a fairer campaign environment that garners public confidence in the process. This kind of substantive engagement could also help the United States send an unambiguous message that election fraud of any kind will not be overlooked in 2012 and 2013, and that Georgia's future depends on transitioning smoothly to legitimate and fair elections. The goal of U.S. engagement should be to help make the elections fair and to build the Georgian people's confidence in the election process. This will require consistent and long-term engagement by the United States. Efforts by the Georgian government to manipulate election rules, pressure wealthy Georgians not to support opposition parties, and limit media coverage of opposition candidates on state-supported television stations have occurred well in advance of all recent elections in Georgia. Should the Georgian government take similar steps again, the United States should draw public attention to their actions.

- *Maintain realistic expectations, but retain credibility for their fulfillment.*  
While the United States' commitment to fair elections in Georgia is important, expectations about the impact of the elections should be realistic. In the best-case scenario, the parliamentary election will introduce a broader range of political views to Parliament and will help build public confidence and institutions ahead of the presidential election. However, even if this occurs, the challenges facing Georgian democracy will be significant. The lack of experience with multi-party governance, the imbalance between the executive branch and the legislature, and a political party system that is based on personalities and attitudes towards the president rather than genuine policy differences will remain problematic for Georgia regardless of how the elections take place. For this reason, the United States cannot overlook the need to remain engaged,

both programmatically and politically, in helping develop Georgia's political institutions, including its political parties, national and local legislatures, and the state-party relationship.

- *Maintain engagement with a variety of political figures, not just the government.*  
A fourth step that the United States should take is to continue to show willingness to interact with a range of Georgian political figures. This is an important step primarily because it is critical for the United States to demonstrate that it is an ally of the Georgian state and people and not just the current leadership. What is more, given that it is common for the government to charge that its opponents are Russian stooges or spies, U.S. contacts with besieged politicians could weaken or preclude those attacks. When high-level visitors to Georgia meet with opposition figures and encourage their participation in politics, or when those Georgian politicians are treated as serious political figures when they travel to the United States, it sends the message that the United States does not believe they are Russian stooges. This message is not lost on the Georgian people.
- *Leverage U.S. assistance for greater progress on democratization issues.*  
Finally, the United States must recognize the impact that its assistance has on political developments in Georgia. For example, as this report was being completed, the incumbent mayor of Tbilisi was basing his reelection campaign on several accomplishments, ranging from successful service delivery to improvements made to the city. Few of these advances would have been possible without support from the United States. While the United States' decision to provide this support was the right thing to do, the political impact cannot be ignored. One of the responsibilities that comes with providing this assistance is recognizing that the United States, like it or not, is now deeply involved in Georgian politics. It is understood this way in Georgia as well. U.S. policy in Georgia, particularly with regard to democracy, cannot ignore this deep involvement. As such, the United States' refusal to get involved in an issue because it is something that Georgia should resolve on its own may be interpreted in Georgia as lending support to or agreeing with the government's position or recent actions.



## IV.

# U.S. Assistance to Georgia

### Background—1991 to 2008

U.S. assistance has always been at the center of the U.S.-Georgia relationship. Close personal relationships, not only between Saakashvili and the Bush administration but also between Saakashvili's predecessor Eduard Shevardnadze and U.S. leaders from both sides of the aisle, have facilitated U.S. support for Georgia. During Shevardnadze's presidency, particularly in the later years, there was growing concern in Washington that a corrupt and incompetent Georgian government was wasting or stealing substantial amounts of aid. Accordingly, beginning in the early 2000s, the United States shifted much of its assistance to Georgia from direct support of the central government to support of Georgian NGOs. Some of the NGOs that received U.S. assistance provided public services directly, while others acted as watchdogs and kept tabs on the increasingly corrupt government.<sup>1</sup>

During the Shevardnadze years, Georgia's economy, despite some reforms, was generally weak and needed the assistance that the United States and several European countries provided. Throughout the roughly 11 years of Shevardnadze's presidency (1992-2003), unemployment was high, foreign investment was scarce, and tourism and food exports, which had been the foundations of the economy of Soviet Georgia, never returned to pre-1991 levels. By the end of Shevardnadze's term in office, foreign assistance, mostly from the United States, and remittances, primarily from Georgians working in Russia, were major parts of the Georgian economy.

Interestingly, during the Shevardnadze years, the United States asked for and received little in return for its assistance to Georgia. Georgia generally sought to align itself with the United States and the West, but it was not a particularly important ally or security partner. The United States did not need Georgia's support on any key for-

eign policies or military campaigns, and it did not leverage its assistance to push Georgia toward implementing democratic or other reforms. U.S. assistance clearly contributed to the pro-Western feelings of many Georgian leaders and citizens, but it did not help the U.S. achieve any critical goals in the region. Georgia did, however, play a useful role as a transit country for the shipment of Caspian oil to the West, most notably through the landmark Baku-Tbilisi-Ceyhan (BTC) pipeline.

### U.S. Aid after the Rose Revolution: From Supporting NGOs to Supporting the State

Following the Rose Revolution and Saakashvili's election in January 2004, Georgia began to receive even more U.S. assistance. Assistance from the United States Agency for International Development (USAID), as well as direct government support, increased. Likewise, Georgia jumped to the head of the queue for support from the Millennium Challenge Corporation (MCC), becoming eligible almost immediately for special MCC funds that had been set aside for countries that were viewed by Washington as particularly deserving of U.S. support. These MCC funds were an alternative to the sometimes slow and overly bureaucratic USAID assistance programs.

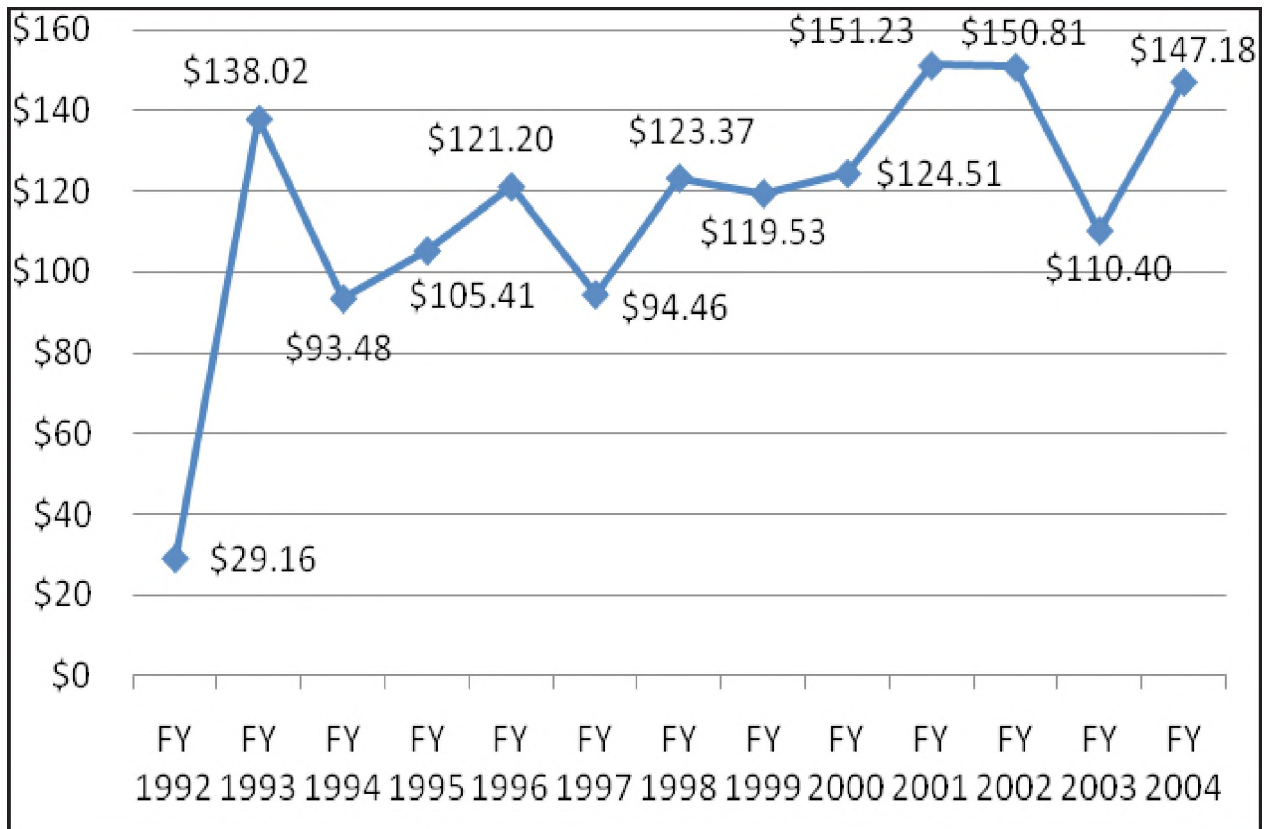
Thus, post-Rose Revolution assistance to Georgia should be understood as part of a history of strong U.S. assistance to that country. While the close relationship between Saakashvili and Bush and the democratic advance that the Rose Revolution was perceived to be, at least initially, almost certainly contributed to the increased support, U.S. support for Georgia did not begin with the Rose Revolution. Financial assistance from 2004 to 2008 was quantitatively but not qualitatively different.

During this period, the U.S. government remained uninterested in conditioning assistance. As before, the United States did not appear to receive any direct benefits as a result of its generous support of Georgia. Still, there were some key differences in U.S. financial assistance to Saakashvili's Georgia, compared to that of his predecessor: First, more money was allotted. Second, and equally important, the money was allotted differently.

1. The impact of NGOs on Georgian politics during this period was strong. Beachain (2009) is among several scholars who partially attribute the Rose Revolution to "a myriad of (sic) foreign-funded NGOs [that] undermined Shevardnadze's credibility." A USAID Strategy Document for FY 2004-2008, written shortly before the Rose Revolution, made the U.S. emphasis on working with NGOs rather than the Georgian government explicit, and states that greater reliance on grassroots organizations (NGOs) "seems necessary" and that "the new Country Strategy would take these grassroots initiatives to the next level of cohesion by explicitly coordinating more of this activity at the local or operational level for maximum total effectiveness" (emphasis in original). "USAID/Caucasus - Georgia Country Strategy (FY 2004 - 2008)," *United States Agency for International Development*, August 2003, [http://pdf.usaid.gov/pdf\\_docs/PDABY768.pdf](http://pdf.usaid.gov/pdf_docs/PDABY768.pdf), p. 8.

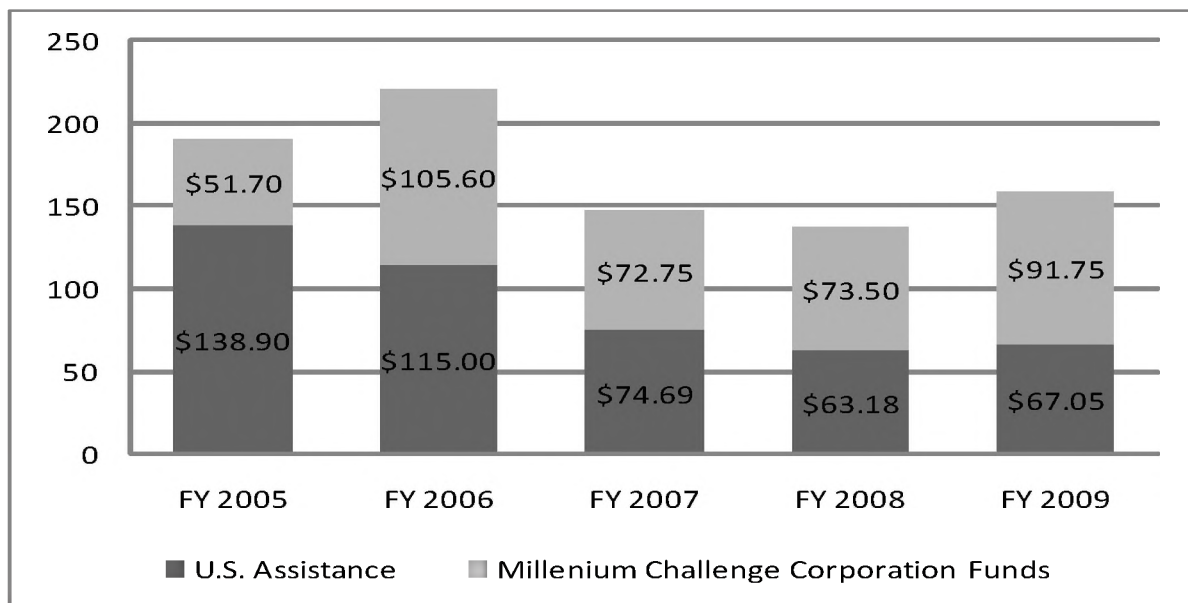


**Figure 3: U.S. Assistance to Georgia (1992-2004), the Shevardnadze Years (in millions)**



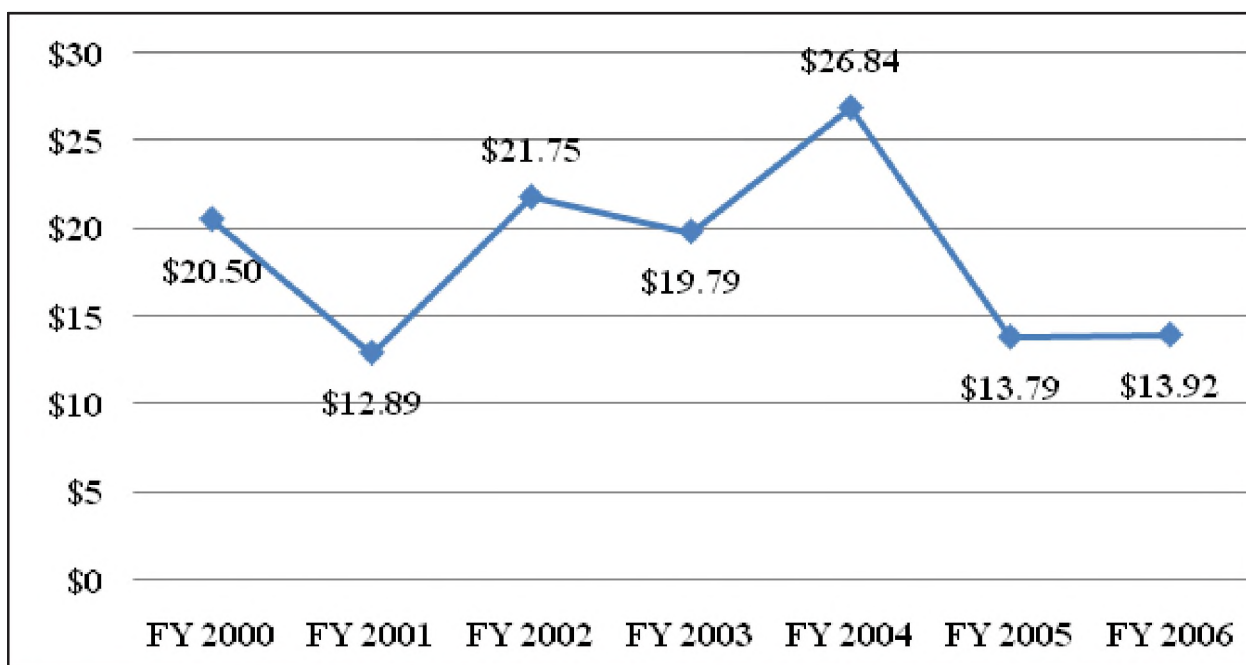
Source: "FY 2009 Congressional Budget Justification: Europe and Eurasia Regional Overview," Department of State, <http://www.state.gov/documents/organization/101440.pdf>. See also "Striking the Balance: U.S. Policy and Stability in Georgia - A Report to the Committee on Foreign Relations, United States Senate," December 22, 2009, <http://lugar.senate.gov/sfrc/pdf/Georgia.pdf>. U.S. Department of State, Foreign Operations Appropriated Assistance: Georgia, January 2009, <http://www.state.gov/p/eur/rls/fs/108293.htm>. "U.S. Government Assistance to and Cooperative Activities with the New Independent States of the Former Soviet Union," State Department, January 1997, [http://pdf.usaid.gov/pdf\\_docs/PAA881.pdf](http://pdf.usaid.gov/pdf_docs/PAA881.pdf). "Fact Sheet: U.S. Assistance to Georgia, State Department, February 2004," (<http://www.america.gov/st/washfile-English/2004/February/20040217161400XlrenneF0.920849.html>). "State Department Recaps U.S. Aid to Georgia for Fiscal Year 2005," State Department, August 2005, <http://www.america.gov/st/washfile-english/2005/August/200508151255111CJsamohT0.5840723.html>

**Figure 4: U.S. Assistance to Georgia Since the Rose Revolution (in millions)**



Source: "FY 2009 Congressional Budget Justification: Europe and Eurasia Regional Overview," Department of State. "Striking the Balance: U.S. Policy and Stability in Georgia - A Report to the Committee on Foreign Relations, United States Senate," 2009. Foreign Operations Appropriated Assistance: Georgia, 2009. "U.S. Government Assistance to and Cooperative Activities with the New Independent States of the Former Soviet Union," State Department, January 1997.

**Figure 5: Assistance for Governing Justly and Democratically (in millions)**



Source: "FY 2009 Congressional Budget Justification: Europe and Eurasia Regional Overview," Department of State. "Striking the Balance: U.S. Policy and Stability in Georgia - A Report to the Committee on Foreign Relations, United States Senate," 2009. Foreign Operations Appropriated Assistance: Georgia, 2009. "U.S. Government Assistance to and Cooperative Activities with the New Independent States of the Former Soviet Union," State Department, January 1997. "Fact Sheet: U.S. Assistance to Georgia," State Department, February 2004. "State Department Recaps U.S. Aid to Georgia for Fiscal Year 2005," State Department.

The policy of sending assistance money to NGOs began in the 1990s, but was significantly reversed when Saakashvili took office. Reflecting the view that the Rose Revolution presented a major opportunity to accelerate reform in Georgia and place a higher degree of trust in the Georgian government, U.S. assistance was provided directly to the Georgian government starting in 2004. Some of this money took the form of direct budget assistance; other money went to various agencies and ministries within the government. During this time, the United States also increased the number of technical advisors that it funded for the Georgian government.

Assistance to Georgia following the Rose Revolution also declined in some areas, most strikingly in the field of democracy assistance. This suggests that the U.S. government either vastly underestimated the amount of work Georgia needed to accomplish in order to move toward democracy following the Rose Revolution, or simply no longer viewed democracy as a priority once Saakashvili took office. Chart 3 shows the support for the United States' "Governing Justly and Democratically" strategy in the five years preceding (2000-2004) and following (2005-2009) the Rose Revolution. National elections in the fiscal years 2000 and 2004 explain some of the increase for those years, but the pattern of declining democracy assistance money is still clear.

Some U.S. financial and technical assistance during the post-Rose Revolution years contributed to the efforts of the Georgian government to rebuild its military, which had become quite weak following defeat and neglect in

the 1990s. Between 2003 and 2008, annual Georgian defense spending increased from \$30 million to \$1 billion.<sup>2</sup> While the U.S. provided only some of that money, it facilitated Georgia's rearmament by selling it weapons, providing training to the Georgian military, and sharing intelligence with Georgia. For its part, Georgia was one of the few countries to support the U.S. war in Iraq by sending troops there. Importantly, Georgia's support for the war in Iraq began when Shevardnadze was president; under Saakashvili, however, Georgia sent more and better-trained troops to fight alongside the U.S. military. Thus, among the outcomes of U.S. assistance to Georgia were both a strengthening of the Georgian military and a strengthening of the ties between the Georgian and U.S. militaries.

Therefore, Georgia's defeat by Russia in August 2008 was, to a degree, a reflection of the quality and value of U.S. military assistance. It was not lost on Russia and other countries in the region that the military that Russia devastated in a matter of days was built with substantial U.S. support and assistance. Equally significant is the concern that U.S. support for the Georgian military did more to raise the likelihood of war than to prevent

2. Peter Rutland, "A Green Light for Russia: Policy missteps by Georgia and its allies in Washington opened the door for Moscow's armed intervention," *Transitions Online*, August 12, 2008, <http://www.tol.org/client/article/19836-a-green-light-for-russia.html>. *Georgian Ministry of Defence Strategic Defence Review*, 2007, [www.mod.gov.ge/files/cocqkdkeklgeo.pdf](http://www.mod.gov.ge/files/cocqkdkeklgeo.pdf).

**Table 2: Amount of Postwar Assistance by Period (in millions USD)**

Phase	Amount	Timeframe
I	\$61.7	August/September 2008
II	\$304.5	Fall/Winter 2008/2009
III	\$395.3	Spring 2009
IV	\$242	Fall 2009–Fall 2010
Total	\$1,003.5	2008–2010

Source: “U.S. Assistance to Georgia \$1 Billion Pledge,” *State Department*, February 2010, unclassified memo.

conflict. This clearly should be borne in mind with regard to postwar U.S. assistance for Georgia.

## Postwar Assistance

Shortly after the conclusion of the 2008 war, the United States pledged \$1 billion in assistance to help Georgia repair the damage caused by the war. This significant aid commitment enjoyed bipartisan support and drew few questions in Washington. It was a timely and clear message to both Russia and Georgia that the United States was not going to abandon Georgia following the war. The postwar assistance package soon became one of the new foundations for the postwar relationship between Georgia and the United States, and it was followed quickly by an aid package from Europe of roughly \$3.5 billion in loans and grants.

U.S. assistance provided under the postwar pledge has been delivered over a period of roughly two years beginning in August 2008, when humanitarian assistance was delivered almost immediately after the war. Longer-term assistance continued through 2009 and will end sometime in late 2010. Table 2 describes approximately when different phases of the total transfer occurred.

U.S. and European assistance that followed the war grew out of a joint needs assessment that was facilitated by the United Nations and the World Bank with support from several other international donors and financial organizations. The assessment identified three primary areas where assistance was needed: support for the rapid restoration of confidence, support for social needs, and support for critical investments.<sup>3</sup>

According to the assessment, the major damage to Georgia was economic in nature, as “the conflict dealt a shock to the key pillars of economic growth.”<sup>4</sup> This

contributed to an assistance strategy, particularly from international financial institutions (IFIs), which sought to prevent Georgia’s economy from collapsing under the strain of the war and the global economic crisis that immediately followed the conflict. For example, the International Monetary Fund (IMF) committed \$750 million in credit for “maintenance of economic stability,” primarily as a loan to the National Bank of Georgia in an effort to stabilize the Georgian lari.<sup>5</sup>

Postwar assistance to Georgia came from various sources and took different forms. The bulk of U.S. assistance was delivered in the form of grants, rather than loans. By exception, the Overseas Private Investment Corporation (OPIC) provided \$180 million dollars in loan guarantees to Georgian businesses and U.S. businesses with investments in Georgia.

A far greater proportion (approximately 63%) of the international assistance, primarily from Europe and international financial institutions, consisted of loans. When U.S. assistance is taken out of the equation, the proportion of assistance in the form of loans approaches 80%. Of this roughly \$3 billion, “about half...is being spent on public sector loans and about half is being loaned to private corporations.”<sup>6</sup>

### *Preplanned Assistance or Reactive Assistance?*

Because Georgia had received ample foreign assistance and loans before the war (in 2004–2008) from both Europe and the United States, the question of how much of the postwar assistance was new, and how much would have been provided had there not been a war, is difficult to answer, particularly with regard to European assistance.

Determining how much U.S. assistance was as a result of the war is not as difficult at first cut. Total U.S. assistance for Georgia in 2007–2008 was roughly \$140 million per year. Assuming that the U.S. assistance would

3. The United Nations, *Georgia: Summary of Joint Needs Assessment Findings*, October 2008, <http://siteresources.worldbank.org/INTGEORGIA/Resources/301645-1224598099977/GEJNA2008.pdf>.

4. Ibid. It is likely that the focus of the economic impact of the war was largely a result of the heavy involvement of banks and other lending institutions in the needs assessment. However, disaggregating the impact of the war from that of the global economic downturn on the investment climate in Georgia is not easy. It is clear that investments were smaller in Georgia in the months following the war than they had been before the war, but by October of 2008 when the report was

prepared, investments were slowing down around the world.

5. Vladimir Papava, *Reflection of Donors’ Financial Aid Within the Framework of Brussels Conference Decisions in the 2008 and 2009 State Budgets of Georgia*, Open Society Georgia Foundation, April 2009, [http://osgf.ge/files/news/news2009/Aid\\_in\\_2008-2009\\_budgets\\_Report\\_GEO\\_IGR5.oH3Ci.pdf](http://osgf.ge/files/news/news2009/Aid_in_2008-2009_budgets_Report_GEO_IGR5.oH3Ci.pdf), p. 5.

6. George Welton, *The Loan Component of the Post-war Pledge: An Evaluation*, Open Society Georgia Foundation, July 2009, [http://www.osgf.ge/files/news/news2009/Loan\\_Geo\\_WEB\\_9voqio1Ins.pdf](http://www.osgf.ge/files/news/news2009/Loan_Geo_WEB_9voqio1Ins.pdf).

**Table 3: U.S. Assistance to Georgia by Category (in millions)**

Sector	Allocation
Restoring Peace and Security	\$44
Budgetary Support	\$250
Strengthening Democracy, Governance and the Rule of Law	\$48.1
Economic Recovery and Growth	\$466.64
Aid to Internally Displaced Persons and Social Recovery	\$189.18
Management Support (USAID)	\$5.5
Total	\$1,003.5

Source: "U.S. Assistance to Georgia \$1 Billion Pledge," *State Department*.

not have changed substantially had there not been a war, and that most of the postwar assistance will arrive by the end of 2010, we can conclude that the United States would have committed \$280 million in assistance to Georgia had the war not happened, and that \$720 million of the total \$1 billion postwar pledge was new money. It is impossible to know for certain whether U.S. assistance would have stayed at the same level had there not been a war, particularly because the MCC money was due to expire in 2010. Indeed, the United States might have provided more money to Georgia during the global financial crisis anyway. But it is reasonably clear that the difference would have been relatively small compared to the actual \$720 million increase. Clearly, a significant proportion of postwar assistance from the United States is new money that otherwise would not have gone to Tbilisi.

This is not the case, however, with the rest of Georgia's postwar assistance and international loans. George Welton argues that "most of the major IFIs or national development banks suggested that the war had not increased the amount they expected to spend significantly" on Georgia and that "all of the branches of the World Bank explicitly acknowledged that the arrangements they have made fit in with the funding envelope that they expected before the war."<sup>7</sup> Thus, while these loans were provided more quickly, their size did not differ significantly from what Georgia otherwise would have received.

Georgia's total debt as of mid-2009 was \$2.9 billion, which, while high, is not unmanageable. However, as these loans come due beginning in 2012, debt servicing will become an increasing burden on Georgia's budget. The need to repay these loans will coincide with the end of the special postwar assistance from the United States, raising potentially serious financial problems for Georgia.<sup>8</sup>

The fact that U.S. postwar assistance came in the form of grants and not loans lends it different political significance than the assistance coming from other donors. The United States has developed a deeper stake and a more involved relationship with postwar Georgia than other international actors, such as the EU and the World Bank. In addition to having a direct impact on the Georgian budget and alleviating adverse humanitarian conditions following the war, U.S. assistance has implications for the United States' role in Georgia and the region, and it raises a number of political questions.

### The Impact of U.S. Postwar Assistance

U.S. assistance to postwar Georgia generally has been quite effective. Saakashvili's government, even before the war, deservedly earned a reputation for spending assistance money properly, with virtually none of the corruption that was rampant during the latter years of the Shevardnadze administration. The post-Rose Revolution Georgian government won the confidence of many donors, particularly of the United States, because assistance to Georgia, for example, to build a road was actually used to build a road. Under the previous administration, a large chunk of the funds earmarked for building a road, in most cases, would have ended up in the bank account of a corrupt government minister.<sup>9</sup> Had the Georgian government not demonstrated before the war that it would use assistance more responsibly than the corrupt Shevardnadze regime, it is unlikely that the United States would have provided such a generous assistance package following Georgia's defeat in the August 2008 conflict.

of Georgian revenue in 2012 and 13.5% in Welton. "The Loan Component," p. 25.

9. See (Areshidze 2008) and Don Hill, "Georgia: Saakashvili Raising Hopes That Corruption May Be Tackled In Earnest," *Rferl.org*, January 9, 2004, <http://www.rferl.org/content/article/1051130.html>. Jonathan Wheatley, *Georgia From National Awakening to Rose Revolution: Delayed Transition in the Former Soviet Union* (London: Ashgate, 2005).

7. Welton, George. *The Loan Component of the Post-war Pledge: An Evaluation*. Open Society Georgia Foundation. July 2009. [http://www.osgf.ge/files/news/news2009/Loan\\_Geo\\_WEB\\_9voqioIIns.pdf](http://www.osgf.ge/files/news/news2009/Loan_Geo_WEB_9voqioIIns.pdf), p. 15.

8. According to the World Bank, debt service will represent 6.5%



According to USAID administrator Henrietta Fore, the goal of the postwar assistance was to “help internally displaced persons [IDPs] rebuild infrastructure, restore economic growth, sustain investor confidence in the Georgian economy, and foster continued democratic reform and energy security.”<sup>10</sup> This is a broad array of goals. Moreover, while the first two goals are clearly related to the war, assuming that the IDPs to which Fore referred were displaced by the August 2008 war, the remaining goals are only partially connected to the conflict. Georgia’s economy was suffering before the war as a result of the global economic crisis, but the war clearly exacerbated these problems. USAID’s other main concerns – the need for greater democracy and energy security – were long-standing and were not affected appreciably by the war.

Thus, the assistance package to Georgia has three distinct roots: a response to the war; a history of strong U.S. support for Georgia, particularly since the Rose Revolution; and assistance to Georgia as it began to face the international financial crisis of 2008-2009. Much of the support to Georgia’s banking sector and efforts to lure back foreign investment, such as the loan guarantees from OPIC, are more clearly responses to the global financial crisis rather than the war.

The funding decisions made by the United States also reflect its goals for and views toward Georgia. By allocating \$250 million, or roughly 25% of its overall assistance package, to direct budgetary support, the United States has sent a very strong signal of support for the Georgia government. However, it should also be noted that increased U.S. assistance for Georgia furthers the perception that Georgia is a U.S. project or client. If Georgia reignites the conflict with Abkhazia or South Ossetia or slips into a more authoritarian system, the United States will be viewed, rightly or wrongly, as having contributed directly to such actions.

Of course, this is not the intent of the United States. USAID has indicated unambiguously how this budgetary support should be used:

The \$250 million grant funds Georgia’s budget expenditures to cover state pensions, state compensation and state academic stipends (\$163.3 million), health care costs for people living below the poverty line (\$26.1 million), allowances to individuals displaced by the conflict in Abkhazia (\$6.1 million), financial support to schools through a voucher system on a per-student basis

(\$24.2 million), and compensation and salaries for government employees of all ministries excluding the Ministry of Defense and Ministry of Interior (\$30.3 million).<sup>11</sup>

This statement should make it clear that U.S. policymakers do not want to see U.S. assistance applied either to rearming the Georgian military or to strengthening the state agencies most closely associated with domestic political repression. However, given the fungibility of budget funds, this position is little more than a statement of the United States’ preferences.

The ample direct budgetary assistance means that the United States partially funds all Georgian government expenditures. This is particularly interesting with regard to the roughly \$3.5 million dollars that Georgia has spent on lobbying in the United States since the war.<sup>12</sup> These lobbyists serve their client not only by representing Georgian views on issues like territorial integrity and NATO membership, but also by persuading U.S. lawmakers about the strength of Georgian democracy and the need for continued assistance to Georgia. The United States has put itself in the surreal position of helping to fund the efforts of a foreign government to lobby U.S. lawmakers.

The assistance package also includes a two-year, \$48.1 million grant to support an array of democracy-related programs, including work with political parties, support for Radio Free Europe and Voice of America, strengthening the parliament, and revising the election code. This is a substantial and laudable commitment by the United States. However, it should also be noted that many of these efforts have been funded in Georgia for years with very mixed results; clearly, simply providing financial support for programs of this sort does not guarantee their success. For this money to be used effectively, the programmatic work should be bolstered by political support, such as consistent and unambiguous messages about the importance of democracy. Additionally, U.S. financing of such democracy-related programs still lags far behind the money dedicated to strengthening the Georgian government. This is probably unavoidable, but money sent directly to the budget has an effect on Georgian politics and democracy as well and can at times undercut democracy efforts supported by the United States.

A reasonable argument can be made that spending money on democracy assistance as part of a postwar reconstruction package does not make much sense. However, this argument is valid only if postwar assistance

10. United States Agency for International Development, *Remarks by Henrietta H. Fore, Director of U.S. Foreign Assistance and USAID Administrator at the United States Mission to the European Union*, October 23, 2008, <http://georgia.usaid.gov/index.php?m=28&newsid=348>.

11. United States Agency for International development, *Transition Assistance to Georgia*, <http://georgia.usaid.gov/index.php?m=57>.

12. See the section on The Domestic Political Impact: Supporting the Government in Tbilisi for data on lobbying expenditures.

**Table 4: Georgian Lobbying Contracts in the United States since 2008 (in thousands)**

Principal	Lobbyist	Contract Period	Amount
National Security Council of Georgia	The Podesta Group	1/2010 – 12/2010	\$600
Government of Georgia	Gephardt Group Government Affairs LLC	1/2010 – 12/2010	\$436.8
National Security Council of Georgia	The Ithaca Group LLC	1/2010 – 12/2010	\$270
National Security Council of Georgia	Orion Strategies LLC	1/2010 – 12/2010	\$420
National Security Council of Georgia	Glover Park Group LLC	1/2009 – 1/2010	\$360
National Security Council of Georgia	Orion Strategies LLC	11/2009 – 1/2010	\$10
National Security Council of Georgia	Public Strategies, Inc.	8/2009 – 2/2010	\$237
National Security Council of Georgia	Arete Consulting	2/2009 – 12/2009	\$485
National Security Council of Georgia	Public Strategies, Inc.	2/2009 – 8/2009	\$300
National Security Council of Georgia	Glover Park Group, LLC	8/2008 – 10/2008	\$200
National Security Council of Georgia	Orion Strategies LLC	6/2008 – 12/2008	\$200
National Security Council of Georgia	Orion Strategies LLC	4/2004 – 5/2008	\$590

Source: Data gathered from the U.S. Department of Justice's Foreign Agents Registration Unit database, accessible at <http://www.fara.gov>.

from the West comprised new money that resulted exclusively because of the war. Because this is not the case, if the United States is seen as failing to provide political support for its investment in democracy assistance, it will be interpreted as a clear sign that the United States is not interested in strengthening democracy in Georgia.

Overall, the main goals of U.S. assistance – helping Georgia rebuild after the war and sending a message that the United States would not abandon its Georgian ally, regardless of Russian aggression – have been met. In this very basic way, postwar assistance has been successful and has had an immediate and positive impact on postwar Georgia. Temporary housing was built for IDPs who had lost their homes in the war. A humanitarian crisis was avoided, and the Georgian state did not collapse; much of the infrastructure that was damaged or destroyed in the war was rebuilt.

However, postwar assistance, while helping Georgia recover from the war and the global financial crisis, has not been used as an instrument to help craft a better U.S. policy toward Georgia and the region. One of the reasons why this is so important is that the assistance package, because of its size, has made the United States not only more influential in Georgia, but in some respects more responsible for the country's internal developments. If the only impact of the funding is assisting Georgia with its postwar recovery, then the United States will have wasted an opportunity; the assistance package should be one of the foundations upon which a new U.S. policy in Georgia is built. Nevertheless, providing resources through normal funding channels with the normal degree

of oversight and reporting will not be sufficient to leverage U.S. assistance to greater policy advantage.

### **The Domestic Political Impact: Supporting the Government in Tbilisi**

The United States' enormous assistance package makes its role in Georgia complex. Although the package is intended to help the people of Georgia and to modernize and democratize the Georgian state, the impact of the assistance will not, in fact, be limited to these laudable goals. Indeed, the assistance package also has distorted the political landscape in Georgia, most importantly by supporting a Georgian government that otherwise would have been weakened severely by the war.

The existence of this large amount of assistance partially disrupted the usual political processes that would have been expected in the aftermath of such a military disaster. In most countries, a government would have faced almost immediate pressure to step down after losing a war so disastrously. Even in presidential systems like Georgia's, where elections occur at fixed times rather than after a vote of no confidence, there would have been pressure on the government to recognize its mistakes and to make some kind of appropriate gesture. This pressure generally emerges from public anger and media scrutiny of the causes of military defeat.

Economic assistance from the United States and Europe, however, exceeded most estimates of Georgia's war-related costs. Thus, at least for the government and for most Georgian citizens, the war took a human toll and

**Table 5: Public Opinion about the Work of the President and Parliament**

	% Favorable	% Unfavorable	% No opinion
<b>Nov. 2008</b>			
President	67	28	5
Parliament	65	30	5
<b>Apr. 2009</b>			
President	49	43	8
Parliament	47	46	7
<b>Aug. 2009</b>			
President	49	42	9
Parliament	46	45	9
<b>Nov. 2009</b>			
President	62	31	7
Parliament	57	35	8

Source: Data gathered from polls conducted by the International Republican Institute, available at <http://www.iri.ge>.

inflicted great trauma, but it did not come at a great financial cost. Money to repair war damage arrived quickly, either as grants or as low-interest loans. The government did not have to raise taxes, postpone repairing destroyed infrastructure, or enact any emergency budgetary measures. Obviously, the human losses, as well as the pain inflicted on ethnic Georgians who were expelled from their homes in South Ossetia, are immeasurable. In strictly economic terms, however, Georgian society did not have to absorb the full cost of its military campaign.

In addition to removing a potential source of popular discontent, the external assistance package allowed the Georgian government to continue functioning and delivering basic services, even during the global economic downturn that ensued. Without foreign support, particularly from the United States, during these months, it is not at all certain that the Georgian government would have been able to stay in power. Additionally, U.S. support made it possible for Georgia to redouble its lobbying efforts in the United States, a move that strengthened support for Georgia in Congress and improved its portrayal in the U.S. media.

Since late 2007, a series of street demonstrations, calls for elections, government crackdowns, and elections of questionable quality, combined with often inflammatory and foolish rhetoric by various leaders of both the government and opposition political forces, have contributed to a more or less constant, low-level political crisis in Georgia. Without U.S. assistance the government would most likely not have been able to pay pensions, rapidly repair war damage, or continue the country's modernization. This would probably have stretched Georgia's political fabric beyond the breaking point. Thus, the financial stability that the assistance package lent, while valuable, was not apolitical in nature. The aid and reconstruction package clearly intervened in Georgia's domestic politics. Postwar assistance

clearly worked to the benefit of the government which, naturally, took credit for accomplishments that would not have been possible without the money provided by the United States.

On balance, the United States most likely played a positive role in helping to ensure stability in Georgia, even if this role was political in nature. Political instability following a military defeat would not have been good for Georgian society and would have strengthened Russia's political hand in all of Georgia. Moreover, providing support to the government, and thus enhancing its political standing, was probably an unavoidable by-product of seeking to stabilize Georgia. Conversely, an extra-constitutional change in leadership in late 2008 or early 2009 most likely would have made the domestic situation in Georgia even more volatile.

That said, it remains important for the United States to recognize the impact of its assistance on keeping Saakashvili's government in power and strengthening the government's hand, particularly as it prepares for a busy election cycle in 2010-2013.<sup>13</sup> Without such a large amount of U.S. assistance, the governing United National Movement (UNM) would not be able to campaign for mayor in Tbilisi by citing the list of municipal improvement projects that it has implemented since the war. Similarly, had this assistance not arrived when it did, the local fallout from the global economic downturn would have begun earlier and would have had a greater effect on the national economy; clearly, this turn of events also would have affected the popularity of the Georgian government. Indeed, Table 7 shows the popularity of the president and parliament at various intervals

13. If the U.S. assistance shrinks to its pre-war size shortly before the national elections of 2012 and 2013, this too will have an effect on the elections as the government will no longer be able to deliver many basic services likely decreasing their support among the Georgian electorate.



since the war. At no time since the war have negative views of the government been held by a plurality of Georgian citizens.

### **Planning for the Future: Avoiding the Perils of Clientelism**

U.S. postwar assistance to Georgia sought to provide support to a friend and ally during a difficult time while also sending a message of support to both Georgia and Russia. The assistance was a clear way to achieve both of these goals. However, a brief increase in assistance to Georgia is different from a more enduring commitment of the same amount. Keeping the level of assistance to Georgia at roughly \$500 million per year would be expensive for the United States and would reinforce the view that Georgia is a U.S. client. Establishing a client state in Georgia was never the goal of the U.S. assistance package, but could easily become a consequence.

Avoiding this outcome will not be as easy as simply reducing the level of assistance. Absent U.S. assistance immediately following the war, the Georgian state would have been in danger of collapsing. This may turn out to be the case as well when the current assistance runs out. It is even more likely that the Georgian government will face a serious fiscal crisis if assistance is reduced to prewar levels. For this reason, the Georgian government will likely work to keep U.S. assistance at the immediate postwar level. The United States must find a way to avoid providing that degree of support indefinitely while not abandoning Georgia altogether. The process for determining how to accomplish this goal must begin well before the assistance runs out.

In 2012-2013 the Georgian government will face an increasing debt burden, decreasing U.S. assistance, and two national elections. The first two conditions will likely contribute to difficult economic conditions throughout the country as the government struggles to pay for social programs, such as pensions, while lacking the resources for needed infrastructure improvements. This situation will weaken the government's position ahead of the 2012 and 2013 elections. In a sense, the effects of Georgia's military defeat and the global economic downturn of 2008 will be felt most acutely in these years.

In order to avoid this scenario, the Georgian government may take out more loans and pursue more U.S. assistance. The argument for providing assistance will be compelling, not unlike the reasoning behind the issuance of the postwar assistance package. Georgia may again argue that failing to provide support would bring their country to the brink of collapse, strengthen Russia's influence in the region, send the wrong message about the United States' commitment to its friends, and cause

widespread human suffering. The argument will be compelling because it is largely true, but the United States would be making a big mistake if it institutionalized a patron-client relationship with Georgia by continuing this level of assistance beyond the immediate postwar period.

Let us be clear: Unless the United States has a strategy for winding down its assistance to Georgia, it is possible, and even likely, that by mid-2012 there will be need for another emergency assistance package. Accordingly, a strategy of gradually reducing the level of assistance in 2011-2014 from \$500 million to the prewar level of roughly \$140 million, while ensuring that important projects are completed, support for democracy programs continues through the 2013 elections, and that there are no sudden budgetary shocks, may cost the United States a little bit more up front, but it will save a great deal of money in the following years.

Because of the size and nature of the U.S. assistance package for Georgia, it is necessary that the United States approach assistance strategically and seek to use this aid to help achieve its goals in Georgia. This is particularly pertinent to issues of freedom and democracy, as well as the implementation of a strategy regarding Abkhazia and South Ossetia. While the United States must, of course, avoid approaching these issues in a heavy-handed way that overplays U.S. power in Georgia, it is clear that the United States can use its position and generosity to make some demands of the Georgian government.

The political environment in which this change must occur is further complicated by the Obama administration's desire to "reset" relations with Russia, an effort that has caused alarm and concern in Georgia, as some feared that Georgia would no longer enjoy the support of the United States. A major theme of the Obama administration's interactions with Georgia, as with several other Eastern European governments, has been reassuring the country's leaders of the United States' support.<sup>14</sup> Though assistance by itself should constitute clear evidence that the United States is neither abandoning nor trading off Georgia as part of the reset of relations with Russia, it has, in Georgia's view, not been entirely sufficient.

It is unusual for a country to challenge the loyalty of an ally that has provided substantial assistance,<sup>15</sup> but by

14. Vice President Joseph Biden travelled to Tbilisi in July 2009 to deliver this message personally. Other government officials have delivered similar messages. Biden has delivered essentially the same message in Ukraine as part of his trip there, and has had to deliver a similar message in so many countries that he has been called the "Reassurer in Chief." Joshua Keating, "Joe Biden: America's reassurer-in-chief," *Foreign Policy Passport*, October 20, 2009, [http://blog.foreignpolicy.com/posts/2009/10/20/joe\\_biden\\_americas\\_reassurer\\_in\\_chief](http://blog.foreignpolicy.com/posts/2009/10/20/joe_biden_americas_reassurer_in_chief).

15. See, for example, Anna Nemtsova, "Mikheil Saakashvili: Where Are My Western Friends?" *Newsweek*, April 11, 2009, <http://www.newsweek.com/id/193509>.



raising this issue, Georgia is able to avoid or minimize the United States' concerns about issues such as human rights, media freedom, and democracy, as well as the initiation of a renewed conflict with Russia, Abkhazia, or South Ossetia. The United States' actions since the war, and since the beginning of the Obama administration, have been consistently and unambiguously supportive of Georgia; the United States should no longer feel compelled to reassure the Georgian government of its support.

## Recommendations

Years of political and financial involvement in Georgia have stripped the United States of the luxury of being uninvolved in the country's politics and government. The United States is deeply involved in Georgian politics if it gives money, withholds money, speaks out, or is silent. Policymakers must understand this reality and pursue strategies accordingly.

While deep U.S. involvement in Georgian domestic affairs may, at first glance, seem inappropriate, the United States is already considerably entrenched in Georgian politics. The degree of assistance, and political support provided to the Saakashvili administration, means that the United States is deeply involved in Georgian domestic political life.

Thus far, monitoring of U.S. assistance has shown that most of the money has been used as it was intended. Thus, further efforts to strengthen monitoring should not be a top priority for the United States.<sup>16</sup> However, a more comprehensive approach to monitoring assistance and linking it to other political and policy benchmarks would be an effective way to move Georgia closer to the goals shared by the governments of both Georgia and the United States.

The United States should use its assistance to Georgia to further the goals of democracy, stability, development, and peace in the region. There are several ways to begin doing this: First, the United States should commit more money and political support to civil society development, independent media, and democracy assistance with some guarantee that this money will not expire in 2011 or 2012. Second, the United States should create mechanisms for ensuring that U.S. assistance is not used to fund the acquisition of weapons for the military or to support the Interior Ministry; the United States should also find ways to ensure that the amount of budget expenditures for these types of items is limited. Third, the United States should work with international and do-

mestic organizations to effectively monitor the progress made by Georgia in these key areas.

The goal here is not to hamstring Georgia or dictate its budget policies from Washington, but to recognize that the degree of U.S. support for Georgia makes the United States more than peripherally responsible – perhaps even accountable – for what happens in Georgia. Public statements from USAID or other U.S. government representatives are not enough to ensure that the Georgian government pursues spending policies that are central to avoiding another conflict into which the United States would inevitably be dragged.

- *Establish substantial, dedicated funding streams for Georgian NGOs beyond 2011-2012.*

Using this approach, the United States can help develop government accountability by promoting domestic scrutiny of the government and increasing the range of political voices heard in Tbilisi. Additionally, the U.S. government can send a clear message about the value it places on civil society development by encouraging, supporting, and standing up for these types of organizations.<sup>17</sup> To some extent, the U.S. has already begun to do this through additional support for these programs. However, this support must be sustained; because extra postwar assistance is due to end in 2011, there is a real danger that U.S. funding of democracy-related programs will be reduced immediately preceding major national elections, when this money might be needed most.

- *Fund journalists who report on politics or other important issues, and provide that content to television stations or websites. Provide low-interest loans to media entrepreneurs for the establishment of information outlets such as television stations.*

The United States could also agree to supply free legal counsel to television stations in order to help combat, or more desirably, avoid government harassment of these new stations.

- *Monitor Georgian media and the media environment.*  
This could include various means of documenting government harassment of television stations and journalists, as well as supporting organizations

16. For more on aid to Georgia, see the website of the Open Society Georgia Foundation's project on "Transparent Foreign Aid to Georgia" at <http://www.transparentaid.ge>.

17. The process and discussion around choosing a new CEC chair which occurred in early 2010 is a good example of the United States passing this type of opportunity by. The Georgian government created a shortlist of NGO candidates for the position which drew entirely on nominees chosen by pro-government NGOs. By ignoring the voices of independent NGOs, the United States sent a message that these organizations do not need to be taken seriously.

that fact check news stories and draw attention to what stories have been covered and what stories have been overlooked.

- *Find ways to ensure that assistance money is not used, even indirectly, to undermine the goals of strengthening Georgian democracy and pluralism.*

This will be particularly difficult, given the amount of direct budget aid provided to Georgia. Even so, the United States should consider linking its budget assistance to some parameters in the Georgian government that limit, for example, the proportion of budget funds that may be used to support the military or purchase weapons and other equipment for the Interior Ministry. Bilateral documents signed by the United States and Georgia should reflect these agreements, as should the Charter's working group meetings.

- *Expand monitoring to examine how Georgia is making progress toward its own political goals.*

The United States could help establish observer groups to work with local and international NGOs and other donor countries to follow, for example, democratic development in Georgia. The monitoring agencies could help provide donors with the information necessary for adjusting funding priorities as needed and working with implementing partners to work more successfully toward the goals of the funding. Second, the monitoring group would act as an institutionalized presence that would guarantee that the Georgian government prioritizes these reforms consistently, rather than in the weeks and months preceding foreign visits, donor conferences, and other similar events.

- *Develop a strategy for reducing the level of U.S. assistance to Georgia.*

Returning to prewar levels of assistance in 2011 will likely cause profound damage to Georgia's economy. However, the United States should not commit to maintaining its current level of support indefinitely. Therefore, the United States should create a three- to five-year strategy for reducing its assistance to Georgia. This will allow the Georgian government to plan for reductions in assistance while making it clear that Georgia cannot remain dependent on the United States for the foreseeable future.

# CONCLUSION

There is a temptation to look at the U.S.-Georgia relationship as an enduring alliance between two countries that share similar values and goals. It is also tempting to see Georgian history over the last six years as that of a democratizing country which, while still not fully consolidated, is stable and continuing to move generally in the right direction. If this narrative, which U.S. policy makers seem at least publicly to subscribe to, serves as the foundation for U.S. policy toward Georgia, then the United States should simply continue to support Georgia financially and politically without being concerned about the political impact of this support or what will happen when it runs out. Similarly, the United States should maintain close ties with the Georgian government by nudging it privately to reform while praising it publicly, and wait patiently for Georgia's democracy and economy to flourish so that Abkhazia and South Ossetia feel compelled to rejoin Georgia. Although appealing to some, this report has shown that this approach would not only be overly simplistic and grounded in questionable assumptions, but it also risks further entangling the United States and dragging it into possible crises in Georgia and the South Caucasus.

Georgia's contribution of troops to the effort in Afghanistan and willingness to allow the United States to move troops and equipment through its territory as part of the Northern Distribution Network (NDN) are important, and elevate Georgia's strategic import to the United States. These arrangements also underscore the need for a stable and dependable Georgia. During the last several years, Georgia's stability has been tenuous at times and its dependability has been compromised by a government that is prone to whimsical and erratic decision making which often has had severe and destabilizing consequences. The United States can choose to downplay this reality or dismiss it as inaccurate, but it does so at its own peril. Simply put, if things go wrong in Georgia, the impact on the United States will be substantial, particularly as much of the international community and the region views Georgia as Washington's client and responsibility.

There is, however, political space for the United States to craft a relationship that will strengthen its partnership with Georgia by better understanding the U.S.-Georgia relationship; the complex dynamics between Georgia, Russia, and the disputed territories; and internal developments in Georgia itself. This approach would allow the United States to constructively engage with Georgia to increase its stability and level of democ-

racy, which would strengthen U.S. credibility and further U.S. interests in the region more broadly. This is the political space in which we seek to place this report.

## *U.S.-Georgia Charter on Strategic Partnership*

The U.S.-Georgia Charter is an important document and has the potential to serve as a solid foundation for the future of U.S.-Georgia relations. The Charter can play a key role in depersonalizing the nature of the U.S.-Georgia relationship through the interagency working groups it has established for the major components of the charter. In order for the Charter to have an impact, it is critical to work within its structures and broad parameters, particularly with regards to security engagement, training, and assistance.

Politically, the Charter is considerably more important for Tbilisi, where it is viewed as a major statement of U.S. support for Georgia, than for Washington; outside of the U.S. government, few U.S. observers pay it much attention. Troublingly, the nature of the Charter's provisions on security cooperation are often misrepresented in Tbilisi, even by those who have a close understanding of the Charter's content. We have observed that Georgian media, commentators, and even highly-placed government figures routinely and incorrectly state that under the Charter, the United States guarantees Georgia's territorial security. U.S. officials have consistently disavowed such a guarantee.

Although the Georgian government has demonstrated its satisfaction with the Charter and the current level of U.S. assistance to Georgia, a number of individuals within the government and government-friendly commentators in the media still question U.S. support for Georgia. This is generally done for domestic political reasons or as part of a poorly thought-out strategy to increase U.S. support for Georgia against Russia. The United States must be very wary of such rhetorical flourishes and public narratives. Given the government influence over the media in Georgia, these comments can quickly crystallize public perceptions about U.S. policy. It is not helpful to have U.S. support questioned in Tbilisi because it contributes to growing, but still minor, anti-American sentiment. More seriously, such comments escalate the current sense of fear in Georgia that they stand alone against Russia, which in turn further militarizes the country's political culture and constricts the space available for legitimate public debate on democracy and security issues. Georgia presents itself as a dependable partner of the

United States, but its actual record suggests otherwise. Erratic behavior by the Georgian government over the course of the last several years demonstrates that Georgia is prone to bouts of unpredictable and unreliable conduct; the 2007 crackdown on public demonstrators, the closing of the television station Imedi in November 2007, being goaded into striking first in August 2008, the attempt to send hundreds of untrained election observers to Ukraine in January 2010, and the fake Russian invasion hoax on Imedi TV in March 2010 all exemplify this behavior. The United States needs reliable allies that will make predictable and transparent decisions, not countries that rely on the United States for assistance but are given to irrational and often dangerous decision making.

Accordingly, Georgia's value as a U.S. partner lies in its democratic aspirations and continued commitment to integrating with the West. Genuine democracy in Georgia will help make it more stable and reliable. However, Georgia's strategic import as a security ally or energy hub, while helpful, should not be exaggerated for political purposes.

#### *Democratic Development in Georgia*

While Georgia is still freer than the other countries in the South Caucasus and Central Asia, there has been little meaningful advance of democracy since the days following the Rose Revolution. The current lack of media freedom, sustained pressure on business against supporting opposition political parties, absence of real judicial independence, weak civil society, and dominance of the ruling United National Movement (UNM) Party have combined to severely limit Georgia's democracy.

These democratic shortcomings are exacerbated by a political space that doesn't allow meaningful divergence from official views on key issues, such as policy towards Abkhazia and South Ossetia, and relations with Russia. Politicians who stray too far from the government line on these issues risk being labeled Russian stooges of one kind or another.<sup>1</sup>

Georgia is approaching yet another key period for its democratic development with elections for Parliament occurring in 2012 and for president in 2013. A peaceful transition that is viewed as legitimate by the Georgian people, either to another UNM president or somebody from another party, should be the United States' goal for these key elections. Without early and serious U.S. engagement on a broad range of democracy issues, however, it is unlikely that Georgia will enter 2012 or 2013 with a real chance of a trouble-free transition. These elections will be very important for Georgia, but they should not

be viewed as tests of Georgia's democratic intentions. The time for tests has passed because Georgia has failed too many of them. Instead, U.S. officials should focus more on doing the work and providing the financial and political support that is vital for getting Georgia's democratic development back on track.

The increase in funding for democratic development and civil society that followed the war in Georgia is helpful, but it would have a far greater impact if it were matched with political support from the United States. This is not to say that the United States should put forth a constant stream of criticism regarding Georgia's democratic credentials; the current policy of rarely offering any public criticism and generally expressing satisfaction with the Georgian government's reform efforts, however, only sets democracy back in Georgia.

The U.S. government remains extremely important in Georgia, and its words continue to be influential. If U.S. statements about Georgia reflected a more balanced and depersonalized stance toward Georgia and an honest recognition of its democratic shortcomings, the Georgian government would be more likely to confront these shortcomings. The policy of only very rarely speaking out publicly about Georgia's problems has not served the United States well at all, and has instead emboldened the Georgian government to veer away from democracy and to make erratic, and occasionally dangerous, decisions.

#### *Abkhazia and South Ossetia*

The United States needs a clear policy on Abkhazia and South Ossetia, a policy that serves U.S. interests. Deferring to Tbilisi, which has been the U.S. policy for most of the last decade, has not facilitated the resolution of the conflicts; moreover, this policy has not enabled the United States to restrain the Georgian government from taking military action to reclaim the disputed territories. Within this political climate, statements supporting Georgia's territorial integrity and suggesting a need for strategic patience are at best platitudes, and at worst quite dangerous. As the Russian annexation of these territories accelerates, U.S. patience becomes less useful or strategic, while asserting support for Georgia's territorial integrity emboldens hard liners in Tbilisi. This dynamic makes it even more difficult to engage with Sukhumi or begin to resolve the problem.

An effective U.S. strategy towards the region must differentiate between the two breakaway territories for several reasons. First, Abkhazia displays some elements of an autonomous and viable polity. South Ossetia, on the other hand, does not, and never will be a viable independent political entity. We do not suggest in any way that the United States should facilitate or support Abkhazia's aspirations for statehood. Still, those aspirations are

1. There are likely ties between Russia and some elements of the Georgian opposition, but the Georgian government and their supporters in civil society and the media have sought, at times, to tar virtually all political opponents with this brush, no matter how implausible the accusation.



more plausible and should be considered more seriously when crafting an Abkhaz strategy.

U.S. strategy towards Abkhazia must reflect that the Russia-Georgia war has fundamentally changed the “facts on the ground” there. The defense forces provided by Russia have made the Abkhaz more secure; the recognition of their independence by Russia has crystallized their expectations of statehood, and offered them a partner to begin building their state. Although chances that Abkhazia’s independence will be broadly recognized remain quite low, the Abkhaz themselves take this process very seriously; they are committed to it and are encouraged by even the modest successes they have already achieved. The difficulty of changing Abkhazia’s expectation of independence should not be underestimated. It also necessitates bolder and more creative thinking about possible future sovereign models when the United States approaches the issue of Abkhazia’s final status.

Additionally, returning to Georgia is no longer given much consideration by Abkhaz leaders. They no longer fear a Georgian attack as had previously been the case; they also do not see their future as being linked to that of Georgia at all. Moreover, the lack of interest in reintegrating with Georgia on the part of the Abkhaz will likely increase as time goes by and Russian influence grows, underscoring the need for the United States and the West to somehow engage with Abkhazia sooner rather than later.

Not surprisingly, this decoupling of Abkhazia from Georgia, at least in the minds of the Abkhaz leadership, influences the Abkhaz approach to the question of internally displaced persons (IDPs). Indeed in Georgia, the question of IDPs has been a major issue since they fled Abkhazia in the early 1990s. The Abkhaz leadership has not made any serious proposals on resolving this problem, but without serious efforts to address this problem the Abkhaz argument for statehood is much weaker and unacceptable to most of the international community.

Abkhazia’s complex relationship with Russia must also inform U.S. policy toward the IDP question. The new security, economic, and political ties between Abkhazia and Russia now threaten Sukhumi’s autonomy and its newly acquired sovereignty. Internal debates have emerged within Sukhumi about the extent to which Russia’s political influence threatens the political independence of Abkhazia, but the reality remains that Abkhaz independence still looks a lot like Russian annexation. Importantly, as Russia has emerged as the guarantor of Abkhaz security, the primary security concern for Abkhazia has become not the possibility of future Georgian aggression, but that Moscow’s commitment to supporting Abkhazia’s legal independence may be soft. Accordingly, several Abkhaz commentators and analysts fear that, should there be a future broad reconciliation

between Georgia and Russia, Moscow may dismember and divide Abkhazia.

Georgia, for its part, does not have many good options for achieving its goal of bringing Abkhazia and South Ossetia back to Georgian sovereignty. This has been generally true since the mid-1990s, though the challenge is much greater now. In 2010, the Georgian government sought to move away from a postwar policy towards Abkhazia and South Ossetia based on angry rhetoric and proposed a reintegration strategy. The Georgian Strategy for Reintegration contains some positive elements and project proposals that deserve the attention and support of the Transatlantic Community. However, given the current relationship between Tbilisi and Sukhumi, the implementation of this strategy will be a great challenge for Georgia. Accordingly, the Transatlantic Community must also take steps to formulate policies towards the breakaway territories, independent of Georgia, so that international efforts are not tied up in a Georgian strategy which is likely to simply be ignored by Abkhazia.

One of the reasons it is relatively easy for Abkhazia to ignore Georgia’s strategy and Georgia entirely is that the West, and particularly the United States, has so little leverage there. The U.S. and European policy of isolating Abkhazia and letting Georgia dictate policy on the issue has meant that the United States and Europe have few contacts with Abkhazia and no way to pressure the breakaway region through offering a mix of carrots and sticks. This is why a U.S. policy of engagement without recognition – the establishment of informal political, economic, and civic ties – should begin immediately. This strategy would include both offering Sukhumi alternative sources of international contacts from Russia and beginning to establish some Western leverage there that could in turn be used to bring Abkhazia into a meaningful dialog with Georgia.

#### *U.S. Assistance to Georgia*

The United States has provided Georgia with a generous assistance package which has helped it recover from the damage of the war and avoid some of the more dire consequences of the global economic downturn. Although there has been very little outright corruption or theft of the assistance funds, there have been several reports of political pressure being applied to direct U.S. assistance-funded contracts to businesses with ties to the government. Corruption should not, however, be the United States’ major concern about assistance to Georgia.

The more significant challenge that the United States faces is to use its assistance to help cement a genuine partnership between the two countries rather than reinforce a patron-client relationship. Central to this goal

will be ensuring that the high levels of postwar assistance are understood to be a temporary response to the crisis created by the war with Russia rather than an enduring part of U.S.-Georgia ties.

While this has been the position of the United States, cutting assistance to Georgia by as much as 80% in 2012 is unrealistic and will have a serious impact on the country's economy. The impact of the drop-off in U.S. assistance will be worsened by the looming debt explosion Georgia is likely to confront in 2013 and the increased political impact of any economic downturn as national elections are scheduled to be held in 2012 and 2013. Accordingly, the United States needs a clear and public plan for reducing Georgia's dependence on U.S. funds, which while firm, is not too fast or extreme for Georgia.

U.S. policymakers also cannot ignore the political impact of assistance to Georgia. U.S. aid helped prevent the Georgian state from collapsing, but it also provided substantial political support to Saakashvili's administration by helping to keep that government in power and weather the potential political fallout from a military defeat and economic crisis. The ruling UNM Party, for example, naturally trumpets several infrastructure projects as its concrete achievements; these improvements would not have been possible without U.S. postwar assistance. Thus, regardless of the United States' intentions, the assistance disrupted what would likely have been a natural backlash against the UNM.

The size of U.S. support, particularly the \$250 million that goes directly to Georgia's state budget, has therefore enmeshed the United States more deeply into Georgian politics. Because of this involvement, U.S. officials no longer have the luxury of standing back and claiming that Georgia must work out its own domestic problems. The United States' silence in the face of poorly thought out statements regarding foreign policy, further movement away from democracy, or erratic decisions by the government, for example, will continue to be viewed, both domestically and internationally, as support for these policies.<sup>2</sup>

#### *U.S. Georgia Policy*

The U.S.-Georgia relationship is more precarious than it looks. The scenarios under which U.S.-Georgia relations could go off track are numerous, and include: further instability in Georgia as a result of dissatisfaction with an increasingly undemocratic regime, the United States being dragged into an international conflict because of impulsive decisions by the Georgian govern-

ment, and Georgia developing an acute and enduring financial dependency on the United States. In order to prevent these contingencies, U.S. policy needs to be re-crafted and clearly articulated. It cannot be just left as is.

Both Georgia and the United States want to see Georgia become a reliable partner, not an undependable client, of the United States. However, without a cohesive strategy of nuanced engagement, a well-considered understanding of U.S. interests in the region, and a clear-eyed view of Georgia, the United States will end up with the latter.

2. U.S. Ambassador John Bass's statement following the March 13<sup>th</sup> program on the television station Imedi which showed a fake invasion of Georgia by Russia is an example of the kind of involvement and statements which the United States should continue to make. See "U.S. Ambassador on Imedi TV's Fake Report," *Civil.ge*, March 14, 2010, <http://www.civil.ge/eng/article.php?id=22082>.

# TIMELINE 1

## Major Military and Legal Events Regarding Abkhazia, Ajara, and South Ossetia Since 1921

**1921**

The Red Army invasion; Georgia becomes a Soviet Socialist Republic (SSR). Abkhazia and Ajara named autonomous Soviet Socialist Republics (ASSRs). South Ossetia becomes an autonomous region within the Georgian SSR.

**1931**

Abkhazia incorporated into the Georgian Soviet Socialist Republic as an autonomous region.

**1936**

Ajara incorporated into the Georgian SSR as an autonomous region.

**1989**

Approximately 20 Georgian pro-independence activists are killed by Soviet troops in Tbilisi. Georgians and Ossetians clash over demands for greater autonomy for South Ossetia. Protests break out in Abkhazia amid fears that Georgia will move towards independence from the Soviet Union; dozens of protestors are killed and hundreds are injured.

**1990**

South Ossetia declares its intention to secede from Georgia and become a sovereign territory within the Soviet Union. Russian and Georgian Interior Ministry troops sent to South Ossetia as violence breaks out at the end of the year.

**1991**

The conflict in South Ossetia worsens, with both sides alleging atrocities. Tens of thousands of residents of South Ossetia flee north to Russia and south to Georgia. Abkhazia votes to preserve the Soviet Union. In Ajara, Aslan Abashidze is appointed head of the Supreme Council, and he begins to clash with the authorities in Tbilisi and to develop his own power base in Ajara. Georgia leaves the Soviet Union in April, following a referendum on independence. Weeks later, Zviad Gamsakhurdia is elected first leader of democratic Georgia. In December, a *coup d'état* is launched against Gamsakhurdia.

**1992**

**Jan. –Mar.** After intense fighting in Tbilisi between government and opposition troops, Georgian President Gamsakhurdia is deposed, and Eduard Shevardnadze takes power. South Ossetians vote for independence from Georgia in a referendum that is not recognized by Georgia.

**Jun.** Russian, South Ossetian, and Georgian leaders meet, renouncing the use of force and agreeing to a joint peacekeeping force in South Ossetia.

**Jul.** Abkhazia announces that it is seceding from Georgia.

**Aug.** Georgia responds to Abkhazia's announcement by sending troops to Sukhumi, Abkhazia's capital, capturing much of the region's territory and shutting down its Parliament.

**Sep.** Georgian and Abkhaz forces agree to a ceasefire, which quickly collapses.

**Nov. –Dec.** The United Nations opens an office in Tbilisi to assist with peacemaking in Abkhazia. The Conference for Security and Co-operation in Europe (CSCE, later the OSCE) establishes a mission in Georgia to monitor the peacekeeping mission in South Ossetia.

**1993**

**Mar.** Georgia shoots down Russian warplane over Abkhazia.

**May** The U.N. Secretary General appoints a Special Envoy for Georgia.

**Jul.** The conflicting parties in Abkhazia agree to a second ceasefire.

**Aug.** The United Nations deploys international observers to monitor compliance with the ceasefire. The Security Council later establishes the United Nations Observer Mission in Georgia (UN-OMIG).

**Sep.** Georgian troops are driven out of Abkhazia by a joint Abkhaz-Russian paramilitary force after renewed fighting. Thousands of ethnic Georgians flee Abkhazia amid widespread violence against them by Abkhaz and Russian forces.

**Nov.** South Ossetia drafts its own constitution.

**1994**

A UN-brokered ceasefire is signed between Tbilisi and Abkhaz separatists. Russian peacekeepers, under the auspices of the Commonwealth of Independent States (CIS), begin to patrol the disputed region. In July, the U.N. Security Council greatly expanded the mandate of UNOMIG.

**1995**

Georgia adopts a new constitution that provides for a strong presidency. Later, Eduard Shevardnadze is elected president of Georgia.

**1996**

South Ossetia elects its first president, Lyudvig Chibirov, who remains in office until 2006.

**1998**

Violence breaks out in the Gali district of Abkhazia between returning ethnic Georgians and Abkhaz forces. After Abkhaz forces retake control over Gali district, Georgian and Abkhaz forces reach a truce. The UN and other institutions begin to monitor the ceasefire.

**1999**

Abkhazia unilaterally declares its independence from Georgia.

**2000**

Eduard Shevardnadze reelected as president of Georgia. Russia and Georgia sign an agreement to revitalize the economy in South Ossetia.

**2001**

Georgia and Abkhazia sign an agreement against the use of force in their dispute, but a series of skirmishes takes place in summer and early fall. The Secretary General's Special Representative finalizes the "Basic Principles for the Distribution of Competences between Tbilisi and Sukhumi," meant to serve as the basis for future negotiations on the status of Abkhazia within Georgia. South Ossetia elects Eduard Kokoity as its president in elections not recognized by Georgia.

**2002**

Russia accuses Georgia of harboring Chechen militants and threatens to respond with military action.

**2003**

In March, the Russian and Georgian presidents reach agreements on key issues, emphasizing economic cooperation, the return of internally displaced persons and refugees, and political and security matters. Georgian President Shevardnadze is ousted in Rose Revolution.

Aslan Abashidze declares a state of emergency in Ajara.

**2004**

**Jan.** Mikheil Saakashvili wins presidential elections.

The result is not recognized by Ajara, whose leader Aslan Abashidze reacts by destroying bridges connecting the area to the rest of Georgia. Saakashvili orders Abashidze to disarm his forces or face removal. Abashidze resigns.

**Mar.** Tensions rise between Tbilisi and Ajara, with Tbilisi imposing sanctions against the region and closing the border.

**May** Tbilisi refuses to recognize parliamentary elections held by South Ossetia. Tensions rise after Georgian troops take part in anti-smuggling maneuvers in South Ossetia. Ajaran forces destroy bridges between the rest of Georgia and the region, fearing an impending attack by Tbilisi. Thousands march to demand the resignation of Ajara's leader, Aslan Abashidze. Abashidze abdicates to Russia.

**Aug.** Georgian and South Ossetian soldiers clash. Georgia claims it captured key points within South Ossetia, but then pulls back.

**Oct.–Dec.** Abkhazia holds elections that again are not recognized by Tbilisi. Moscow unsuccessfully attempts to mediate between the incumbent and opposition Abkhaz candidates. Georgian President Saakashvili voices his support for opposition leader Sergey Bagapsh. The crisis ends on December 6 with a power-sharing agreement signed by both parties.

**2005**

South Ossetia rejects a Georgian offer of autonomy. Saakashvili tells Abkhazia that no similar offer will be considered unless Georgian refugees are allowed to resettle in their former homes.

**2006**

**Feb.** The Georgian parliament votes unanimously for international peacekeepers to replace Russian forces in South Ossetia.

**Mar.** Georgia announces compensation packages for displaced people who lost their property during South Ossetian crisis.

**May** Georgian and Abkhaz officials hold the first meeting since 2001 of the UN-chaired joint Coordinating Council in Tbilisi. During the meeting, the Abkhaz side hands a new peace plan to the Georgian side. Georgians submit their own Abkhaz peace plan to Parliament. Tensions between Russia and Georgia rise amid Georgian demands



that Russian peacekeepers in South Ossetia obtain visas.

**Jun.** An international donor conference in Brussels pledges 10 million Euros (\$12.6 million) toward rebuilding infrastructure in Georgian-Ossetian conflict zone and adjacent areas.

**Nov.** South Ossetia holds a referendum to reaffirm its independence from Georgia. The West declares the vote illegal, while Russia states that the vote should be respected.

**Nov.** Russia's State Duma ratifies friendship treaties with Abkhazia and South Ossetia.

## 2009

**Jun.** The UN Observer Mission in Georgia is closed as its mandate lapses due to inaction by the Security Council.

*Compiled by Matthew Schaaf*

## 2007

**Mar.** Abkhazia holds a parliamentary election that was again condemned by Tbilisi as illegal. The results of the poll are inconclusive, and only 18 members are elected to the 35-seat parliament.

**Apr.** The Georgian parliament creates a pro-Georgian administration for South Ossetia.

**Oct.** OSCE-sponsored talks between South Ossetian and Georgian sides break down.

**Nov.** Saakashvili orders police to crush anti-government protests, then declares a state of emergency. Russia announces that it had removed all troops that remained in Georgia since the fall of the Soviet Union, except for those Russian peacekeepers participating in the Commonwealth of Independent States' missions in Abkhazia and South Ossetia.

## 2008

**Jan.** Mikheil Saakashvili is reelected president of Georgia.

**Mar.** Abkhazia and South Ossetia ask the United Nations to recognize their independence.

**Apr.** Abkhaz and Georgian troops narrowly avoid confrontation. Russia deepens ties with Abkhazia and South Ossetia amid claims by Georgia that it is attempting the de facto annexation of the territories.

**Jul.** Abkhaz authorities cut all ties with the Georgian government. Tensions between Georgia and Russia increase as the result of several explosions in Abkhazia.

**Aug.** Conflict breaks out in South Ossetia, involving forces from Georgia, Russia, and South Ossetia. Abkhaz fighters occupy areas held by Georgian forces. On August 26, the Russian Federation recognizes South Ossetia and Abkhazia as independent states. On August 28, the Georgian parliament declares the two territories occupied by Russia.

**Oct.** The CIS peacekeeping force in Abkhazia is terminated on October 15.

## TIMELINE 2

### Russian-Georgian Relations from 2003 to 2008

#### 2003

Georgian President Shevardnadze resigns in November after meeting with Russian Foreign Minister Igor Ivanov and Georgia's lead opposition activist Mikheil Saakashvili. Interim president Nino Burjanadze visited Moscow in December, seeking to normalize relations with Russia.

**Oct.** Georgian parliament adopts a resolution on peacekeepers in the conflict zones which exposed the names of Russian citizens that held "high-level positions in the separatist power structures."

**Nov.** Russia calls on Georgia to respect the results of a referendum held in South Ossetia aimed at reaffirming independence from Georgia.

#### 2004

**Jan.** Mikheil Saakashvili elected president of Georgia, pledging to renew relations with Russia.

**Feb.** Saakashvili visits Moscow, where he pledges to take Russia's interests into account and states that one of his priorities is to improve Russian-Georgian relations.

**Apr.** Russia and Georgia conclude a series of bilateral agreements, including one on cooperation in the area of security.

**May** Deposed Ajaran leader Aslan Abashidze, who had sought support from Moscow in his standoff with Tbilisi, abdicates to Russia.

**Aug.** Russia sends military assistance to South Ossetia and volunteer fighters pour into the region from Russia to fend off efforts by Tbilisi to establish police posts and checkpoints in order to combat smuggling in South Ossetia. Georgia's Parliament adopts a statement characterizing Russia as a party to the conflicts in South Ossetia and Abkhazia rather than a peacekeeper or mediator.

**Nov.** Saakashvili announces that Georgian forces will fire upon ships approaching Georgian waters without official authorization, including those with Russian passengers. Earlier in the year, Saakashvili warned Russian tourists against visiting Abkhazia.

#### 2006

**Jan.** A Russian gas pipeline and an electric power transmission line explode within hours of each other, cutting off gas and electricity to much of Georgia. Georgia accuses Russia of sabotage and blackmail.

**Feb.** Georgian parliament votes unanimously for international peacekeepers to replace Russian-led CIS forces in South Ossetia.

**Mar.** Russia bans imports of wine from Georgia (and briefly, mineral water), alleging that Georgian wine is often counterfeit and that it contains heavy metals and pesticides. Before the ban, Georgia had exported an overwhelming majority of its wine to Russia.

**May** Saakashvili announces that Georgia will review the utility of its membership in the Commonwealth of Independent States. Tensions between Russia and Georgia rise amid Georgian demands that Russian peacekeepers in South Ossetia obtain visas.

**Jul.** Georgian parliament votes to suspend the peacekeeping operations in Abkhazia and South Ossetia. Russian Duma then passes a resolution authorizing Russian forces to operate anywhere in defense of Russian citizens. Georgia sends Interior Ministry troops to Abkhazia's Kodori Gorge in order to reassert control over the area after a local warlord begins re-arming former militiamen. Georgian officials allege that Russian and Abkhaz forces provided assistance to the rebels, while Russian authorities accuse Georgia of violating the 1994 cease-fire agreement prohibiting the use of force in Abkhazia.

**Sep.** Georgia arrests four Russian military officers on charges of espionage, later charging them with spying. Russia recalls its ambassador from Georgia in protest.

**Oct.** The detained officers are turned over to the

#### 2005

**Mar.** Georgian parliament unanimously votes to require the government to blockade Russian military bases in Georgia, stop issuing visas to Russian military personnel, and cut off utilities to Russian bases unless Russia agrees to a timely withdrawal.

**Apr.** Russia largely agrees to Georgia's demands on the withdrawal of Russian troops, pledging to leave by the end of 2008.

OSCE in Georgia and then returned to Russia. Days later, Russia suspends all transportation and postal links with Georgia, and stops issuing visas to Georgian citizens. Police in Moscow raid and shut down Georgian businesses, claiming links to organized crime. Russian authorities deport hundreds of Georgian citizens on visa violations and ask public schools to submit lists of students with Georgian surnames for further investigation of their parents' background. The leaders of both countries trade gibes and allude to the potential for a breakout of violence over the row. Russia's State Duma ratifies treaties with Georgia that were signed earlier in the year on the withdrawal of Russian military forces from Georgia and on transit rights that would allow Russia to access its military base in Armenia.

## 2007

**Jan.** Russia returns its ambassador to Tbilisi and lifts some of the sanctions that it had imposed against Georgia in 2006.

**Mar.** Georgia accuses Russia of sending helicopters to attack a village in the Kodori Gorge, where the Georgian-backed Abkhaz authorities were headquartered. A U.N. report on the incident is inconclusive.

**Aug.** Georgia accuses Russia of attacking the Georgian village of Tsitelubani with two fighter jets.

**Sep.** Georgia claims that it fired on Russian fighter jets that had violated its airspace.

**Oct.** Georgia accuses Russian peacekeepers of trying to take control of a Georgian youth camp located in Georgian-controlled territory near the Georgian-Abkhaz demarcation line.

**Nov.** Russia announces that it completed the removal of all troops that had remained in Georgia since the fall of the Soviet Union, except for those based in Abkhazia and South Ossetia. Georgian officials accuse Russian spies of working with the political opposition in Georgia to sow unrest and effect regime change.

## 2008

**Apr.** Amid Georgian claims that Russia was attempting the de facto annexation of Abkhazia and South Ossetia, Russian President Putin orders government ministries to assist and cooperate with authorities in the territories. Georgia accuses Russia of shooting down a Georgian reconnaissance drone over Abkhazia, a claim that was later supported by a U.N. investigation. Russia sends

additional troops to Abkhazia. NATO votes to allow Georgia to accede to the alliance in the future.

**May** Russia sends railway troops to Abkhazia on a "humanitarian mission."

**Jul.** Russia acknowledges that its fighter jets had flown a sortie over Georgia. Georgia recalls its ambassador from Moscow. Tensions between Georgia and Russia increase as several explosions rocked Abkhazia.

**Aug.** Conflict breaks out in South Ossetia, involving forces from Georgia, Russia, and South Ossetia. Abkhaz fighters occupy areas held by Georgian forces. On August 26, the Russian Federation recognizes South Ossetia and Abkhazia as independent states. On August 28, the Georgian parliament declares the two territories occupied by Russia.

**Oct.** The CIS peacekeeping force in Abkhazia is terminated on October 15.

**Nov.** Russia's State Duma ratifies friendship treaties with Abkhazia and South Ossetia.

*Compiled by Matthew Schaaf*

## TIMELINE 3

### June to October 2008

#### June

- 6 Georgian President Mikheil Saakashvili and Russian President Dmitri Medvedev meet in Moscow to reduce simmering tensions, though the two fail to resolve “all of their problems.”
- 7 Russia announces that it will withdraw the railway troops it sent to Abkhazia on a “humanitarian mission” in May.
- 14-15 Georgian and Ossetian forces trade accusations that the other shelled villages in South Ossetia.
- 17 Georgian police detain four Russian peacekeepers on the Georgian side of the Abkhaz administrative border, accusing them of the unauthorized transport of military hardware. Days later, a Russian official warns of “bloodshed” if such provocations continued.
- 23 Abkhaz forces conduct military training exercises.
- 25 Russian state-controlled gas company Gazprom announces its intention to build a gas pipeline to Abkhazia and explore for gas and oil in the region.
- 29 -30 Four bomb blasts occur in markets in Abkhazia, injuring nearly a dozen people.

#### July

- 4 Two people are killed and seven injured when Georgian forces shell areas near Tskhinvali. Georgia claims that it was responding to fire from South Ossetian forces.
- 6 Several explosions occur on the Abkhaz side of the administrative border. Russian and Georgian authorities implicate each other in the blasts.
- 8 South Ossetian forces detain four Georgian soldiers.
- 15 Russia begins Caucasus-2008, a large-scale military exercise in Russia’s south, including the North Caucasus regions bordering Georgia.
- 19 A Georgian police post on the Abkhaz administrative border is attacked; according to Georgian forces, one assailant was killed. Abkhaz forces report the death of one border guard but deny that the post was attacked.
- 21 Georgia captures four South Ossetians on the Georgian side of the South Ossetian administrative border and charges them with illegal arms and drug possession.

- 21 The UN Security Council meets behind closed doors to discuss Russia’s admission that it had sent several fighter jets on a sortie over Abkhazia.
- 25 Russia announces that it will withdraw its railroad troops from Abkhazia beginning July 29.
- 29 Georgia accuses South Ossetian militants of firing on a Georgian post. South Ossetia reinforces its positions on the perimeter of the conflict zone.
- 30 South Ossetia reiterates its desire to be annexed by Russia.

#### August

- 1 Five Georgian police are injured in bomb explosions in Georgian-controlled South Ossetia.
- 2 Six people, among them South Ossetian police officers, are killed by snipers near the Georgian border. Seven Georgian citizens are injured in the shelling of Georgian-controlled villages in South Ossetia. South Ossetian leader Eduard Kokoity warns that he will call for a general mobilization, including forces from Russia’s North Caucasus. A Russian military commander states that his troops are ready to deploy to South Ossetia.
- 3 Russian Foreign Minister Sergei Lavrov warns that an “extensive military conflict” is about to erupt in South Ossetia.
- 4 South Ossetia begins evacuating hundreds of women and children to Russia.
- 5 Russia issues a statement that it will defend its citizens living in South Ossetia.
- 6 Georgia and Ossetian forces trade accusations that the other had shelled ethnic Georgian and Ossetian (respectively) villages in South Ossetia. South Ossetian authorities refuse to attend bilateral peace talks that are scheduled for the following day.
- 7 Russia sends forces through the Roki tunnel into South Ossetia early in the morning; later, Russia claims that it was rotating its peacekeepers in the region. Three Georgian soldiers are injured in a grenade attack launched by South Ossetian forces. South Ossetian authorities announce that 18 people were injured as a result of intense shelling. Georgian President Saakashvili orders a ceasefire and offers South Ossetia “unrestricted autonomy.” Late at night, Georgia sends forces into South Ossetia, taking control of Tskhinvali and surrounding towns.



- 8** Russia launches a counteroffensive, sending tanks and troops south through the Roki Tunnel and into Tskhinvali to fend off the Georgian offensive. With Russian support, Abkhaz separatist forces seize the opportunity to launch an attack on Georgian forces in the contested Kodori Gorge. Georgian President Saakashvili declares a “state of war.” The UN Security Council meets in an early-morning emergency session that is called by Russia the previous day to discuss the conflict, but it is unable to pass a resolution on the matter.
- 9** Russian forces announce that they had retaken Tskhinvali. Russian planes drop bombs in and around the Georgian city of Gori, just outside of South Ossetia. Russian Prime Minister Vladimir Putin accuses Georgia of conducting “genocide” in South Ossetia, while Georgian President Saakashvili accuses Russia of trying to “annihilate” Georgia. Abkhaz authorities state they are working to clear Georgian forces out of the Kodori Gorge.
- 10** Russia continues to launch air attacks on targets within Georgia. Georgia begins to withdraw its forces from South Ossetia, calls a ceasefire, and offers to begin talks with Russia on ending hostilities. Russian naval forces blockade Georgia’s coast. Russian officials claim that 2,000 people are dead in South Ossetia as a result of the hostilities. Georgia claims that 130 Georgian civilians had been killed and 1,165 injured. The UN Security Council meets again to discuss the conflict.
- 11** Georgia announces that it has withdrawn its forces from South Ossetia and that it will cease hostilities. Russia continues to mount air attacks on Georgia. Russia sends thousands of troops and hundreds of armored vehicles into Abkhazia. Russian forces move from Abkhazia and South Ossetia into uncontested Georgian territory, taking control of the cities of Gori, Senaki, and Zugdidi. French Foreign Minister Bernard Kouchner arrives in Georgia to help negotiate a ceasefire. The U.N. Security Council meets in a closed session to discuss the conflict. A French-drafted UN Security Council resolution is circulated; the document calls for an end to hostilities and for negotiations to begin. Hundreds of Georgian troops return from Iraq on U.S. military transport planes.
- 12** Russian and Georgian leaders agree to a ceasefire brokered by French President Nicolas Sarkozy. Abkhaz separatists announce that they had taken the Kodori Gorge from Georgian forces. Georgian President Saakashvili declares Abkhazia and South Ossetia occupied territories and states that the Russian forces were the occupiers. Georgia applies to the International Court of Justice (ICJ) to begin proceedings against Russia, alleging that Russia had violated the International Convention on the Elimination of All Forms of Racial Discrimination; Georgia also asks the ICJ to institute provisional measures to prevent racial discrimination by Russia.
- 13** The first shipment of U.S. humanitarian aid since the outbreak of the conflict arrives in Georgia.
- 15** Georgian President Saakashvili signs a six-point, EU-brokered ceasefire agreement committing Georgia to an immediate end of the use of force in the conflict and a pullback of its forces from the conflict zone.
- 16** Russian President Medvedev signs the EU-brokered ceasefire but says that additional security measures will need to be implemented before the withdrawal of Russian troops.
- 19** The U.N. Security Council meets for a briefing and discussion of the situation in Georgia. The French delegation to the UN Security Council circulates a second draft resolution on the conflict.
- 20** Russia rejects the second UN Security Council draft resolution and floats its own resolution endorsing the initial EU-brokered deal that allowed Russia to implement “additional security measures” before fully withdrawing its troops.
- 21** Large rallies are held in Abkhazia and South Ossetia to demand independence from Georgia.
- 22** Russia announces the full withdrawal of its forces from Georgia but states that it will maintain peacekeepers and checkpoints in a buffer zone outside of the two breakaway regions. U.S. President George W. Bush and French President Sarkozy declare that Russia was not complying with the terms of the ceasefire.
- 23** Displaced civilians begin to return to Tbilisi and Gori. The UN High Commissioner for Refugees reports that the conflict displaced 30,000 ethnic Ossetians, most of whom fled to the Russian republic of North Ossetia, and 128,000 ethnic Georgians, who fled to Georgia proper.
- 24** A U.S. warship carrying humanitarian aid docks at Batumi, as Russian troops still hold the port of Poti.
- 25** Georgia amends its request to the International Court of Justice in light of changing circumstances.
- 26** Russian President Medvedev signs decrees recognizing the independence and sovereignty of Abkhazia and South Ossetia and authorizing Russia to establish diplomatic relations and conclude treaties with the two territories.

- 28** The UN Security Council meets to discuss the conflict in Georgia. The Georgian parliament passes a unanimous resolution declaring Abkhazia and South Ossetia occupied territories and identifying Russian peacekeepers as the occupying force.
- 29** Georgia declares void the 1994 Moscow Agreement, which codified a ceasefire and created a no-heavy-weapons zone around Abkhazia.

#### **September**

- 1** Georgia notifies the CIS of its decision to terminate the organization's peacekeeping operations in Abkhazia.
- 9** Russia announces that it will station thousands of regular troops in Abkhazia and South Ossetia. Russia establishes formal diplomatic relations with Abkhazia and South Ossetia.
- 15** The European Union establishes a monitoring mission in Georgia to verify compliance with the six-point ceasefire agreement signed by Georgia and Russia.

#### **October**

- 1** The European Monitoring Mission in Georgia officially launches operations as observers begin monitoring the buffer zone around South Ossetia.
- 9** The UN Security Council extends the mandate of the UN Observer Mission in Georgia (UNOMIG) until February 15, 2009.
- 15** The International Court of Justice orders both Russia and Georgia to facilitate humanitarian assistance and refrain from racial discrimination and any activity that might aggravate the dispute. Internationally sponsored talks begin in Geneva on the promotion of security and stability in Georgia and the breakaway territories. The talks immediately break down over disagreements on procedure.

*Compiled by Matthew Schaaf*

# MAJOR AGREEMENTS SIGNED BETWEEN THE RUSSIAN FEDERATION AND ABKHAZIA, AUGUST 2008-MARCH 2010\*

1. Agreement between Russia and Abkhazia on a Joint Russian Military Base
2. Agreement on Military Cooperation
3. Agreements with Abkhazia and South Ossetia on Joint Border Protection
4. Agreement on Visa-free Travel
5. Agreements on Inter-parliamentary Cooperation
6. Agreement on Scientific-Methodological and Organizational Collaboration [in the area of elections]
7. Agreement on the Principles of Cooperation in Transport
8. Agreement on Air Transport
9. Agreement on Air Services
10. Agreement on Cooperation in Air Transport
11. Agreements on the Transfer to the Russian Federation the Responsibility for Providing Air Traffic Services in the Airspace of the Republic of Abkhazia, the Publication of Aeronautical Information, and the Organization of Aviation Search and Rescue
12. Agreement on Cooperation in Maritime and Aviation Search and Rescue in the Black Sea
13. Agreements on Cooperation in Maritime Transport
14. Agreement Regulating the Issues of Cooperation in Rail Transport
15. Agreement about the Accommodation of the Diplomatic Missions of Russia in Abkhazia and the Diplomatic Missions of Abkhazia in the Russian Federation
16. Agreement on the Expansion and Protection of Investments
17. Agreement on Cooperation in Trade, Economic, Scientific-technical, Humanitarian, and Cultural Fields
18. Agreement on Cooperation in the Field of Culture
19. Agreement on Cooperation in Combating Crime
20. Agreements on Cooperation between the Ministry of Internal Affairs of Russia and Abkhazia
21. Agreement on Assistance to the Republic of Abkhazia for Socio-economic Development
22. Agreement on Strategic Partnership
23. Agreement on Friendship, Cooperation and Mutual Assistance
24. Agreement on the Mutual Establishment of Trade Missions
25. Agreement on the Principles of Development of New Energy Projects and the Transit of Electricity
26. Agreement on Joint Actions in the Field of Tourism
27. Agreement on Cooperation in the Field of Energy, Agriculture, Communications and Health
28. Agreement on the Trade Regime between Russia and Abkhazia
29. Agreement on the Mutual Establishment of Trade Missions
30. Agreement on Cooperation in Training Qualified Diplomatic Personnel in Abkhazia
31. Agreement on Cooperation between the Chamber of Commerce of the Russian Federation and the Chamber of Commerce of the Republic of Abkhazia

*Compiled by Matthew Schaaf*

\*This compilation is incomplete and is based on official Abkhaz news (<http://www.abkhazinfo.gov>) and Russian media reports. Some agreements may be duplicates due to inconsistencies in their titles and their bundling in news reports.

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